

USAID/Moldova

Results Review and Resource Request

April 2001

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MEMORANDUM

This R4 is USAID Moldova's final submission under the current strategy. A new strategy for 2001-2005 was approved in March 2001 by USAID Washington. The new strategy builds upon the success of the 1997-2001 strategy on which this R4 reports.

OVERVIEW FACTORS AFFECTING PROGRAM PERFORMANCE

Since the collapse of the former Soviet Union, the United States has assisted the NIS countries in becoming market-oriented economies and democratically governed states. The U.S. has also encouraged mutually beneficial political, economic and security relations in the region. Moldova is important to U.S. interests as a model for other former Soviet republics, given its stability in the face of ethnic conflicts and social hardships, and its commitment to carry out economic and political reforms.

The Development Challenge

Economic reform should advance the well-being of the people, promote growth of democracy and strengthen the ability of a nation to safeguard its economic and political independence. For Moldova the reform path has been difficult, but the country has taken decisive steps toward building a firm foundation for a market economy. Moldova was approaching financial and macro-economic stabilization when it was adversely affected by the mid-1998 Russian financial crisis, from which it is just beginning to recover. Moldova's trade with Russia accounts for more than 50% of its foreign trade. The country's large external debt – more than a quarter of which is energy debt owed to Russia, Romania and Ukraine – amounted to about \$1.3 billion at the end of 1999, or more than 100% of GDP. Lack of political continuity has also limited the economic recovery. The 1998 parliamentary election produced an unstable political coalition that resulted in the fall of the Ciubuc government in February 1999. In late 1999 the country was effectively without a government for six weeks. These situations, however, did not create political and social unrest, and in the end the mechanisms of a parliamentary democracy worked in the formation of the Sturza government in early 1999, succeeded by the Braghis government in December 1999. Like the Sturza government, the Braghis government was reform-minded and its programs called for tight fiscal policies, accelerated structural reform and privatization. The Braghis government resigned in the wake of the overwhelming victory of the Communist Party in the February 2001 parliamentary elections. In the coming weeks, Moldova will see the election of a new president, the appointment of a new prime minister, the formation of a new cabinet and the announcement of new governmental policies. It is too early to predict how the new government will deal with the reform programs put in place by previous governments with the urging and support of the donor community but some changes can be expected.

Compounding Moldova's economic and political challenges is the failure to reach agreement on the status of the Transnistria region, the most heavily industrialized region in Moldova. Although it has the potential to supply all of Moldova's energy needs, this region's economic conditions and poverty are much worse than in the rest of the country. Until the Transnistria region is reintegrated with the rest of Moldova, it will continue to resist market and democratic reforms and undermine the economic growth of the entire country.

The Performance Assessment

USAID's overall goal for the strategy period 1997-2001 has been to achieve broad-based, accelerated and sustained economic growth. The strategy aimed to develop a market-oriented economy with the private sector as the engine of growth. The program promoted market reform through transfer of state-owned assets to the private sector, creation of an enabling economic

environment and fostering democratic governance to bring the benefits of a market economy and democratic society to the average citizen.

Privatization of State-Owned Assets

Since the inception of USAID technical assistance in late 1993, resources have been targeted toward the privatization of state assets. In the initial phase, efforts were focused on the Mass Privatization Program (MPP) which privatized enterprises through the use of national patrimony bonds. A second phase was dedicated to privatization of urban and agriculture land. The GOM's National Land Privatization Program was launched in March 1998 and virtually completed in December 2000. Still, farming operations are in great need of agricultural information services, inputs, machinery, credit, and markets. These needs will be addressed in agricultural post-privatization programs which began in early 2001. Coupled with IMF and World Bank conditionality, USAID's privatization program has covered the energy sector, telecommunications, some of Moldova's larger wineries, and selected grain facilities. USAID technical assistance has helped the GOM establish the Independent National Agency for Energy Regulation and pass the law to privatize the power sector. With USAID assistance, Moldova privatized three electric distribution companies and is working to privatize the two remaining distribution companies and the three power generation companies.

Market-Based Economic Restructuring

USAID's fiscal reform program has been key to the success of Moldova's transition to a market-based economy. The new Budget Process Law was implemented in 1998. The Law on Local Government Public Finance was adopted in 1999. The unified tax code now covers personal, corporate, and value-added tax. An increase of about 40 percent in budget revenues (20 percent adjusted for inflation) was achieved for 2000. USAID also provided technical assistance to the financial sector to promote an efficient private banking sector together with a transparent and open securities system. The banking sector in Moldova has been strengthened by the National Bank's steps to get rid of non-performing commercial banks and to develop strong banking laws. The commercial banks and most of Moldova's 20,000 enterprises have successfully converted to International Accounting Standards (IAS). As for the capital market, two key pieces of legislation took effect in 1999: the first law provides enforcement authority to the State Commission for Securities Market, and the second law establishes general provisions on professional activity in the securities market. Finally, the USAID legal reform program provided technical assistance to help establish a legal framework and commercial legislation compatible with market economy. USAID's Commercial Law Project, which was initiated in 1998, presented a draft civil code to Parliament for review in February 2000. USAID also plans, again with World Bank supporting conditionality, to support the GOM in the implementation of an action plan to remove legal and regulatory impediments to private sector development and accelerate growth of the economy in 2000.

Fostering Democratic Governance

Market reforms require support in national political institutions, at the local government level, as well as from citizens and community-based organizations. In the areas of elections and civic

education, USAID has provided experts in the revision and passage of electoral laws and procedures, and promoted development of institutions at the core of democratic society such as the Parliament, Constitutional Court, Central Election Committee, mass media and NGOs. During the 1998 and 2001 parliamentary campaigns, USAID technical assistance helped administer the election, disseminate information and materials about democracy, and conduct evaluations on the election process. In 1998, the Parliament passed the Law on Administrative and Territorial Organization and the Law on Local Public Administration that promote local government autonomy through the transfer of power and responsibility to local government authorities. USAID's Local Government Reform Project which began in 2000 will promote fiscal autonomy, administrative efficiency, and democratic governance at the local government level. Grants awarded by USAID for humanitarian purposes have facilitated the transition to a market economy and complemented USAID development projects in economic and political reform. All USAID projects have a social dimension. The privatization program targeted mass privatization and land reform before expanding to privatization of strategic industries. Fiscal reforms have focused on increasing revenue collection to help the GOM meet civil servant salaries, pay pensions, and increase expenditures for health and education. The Winter Heat Program in 1999 and 2000 contributed significantly to alleviating the hardships of vulnerable groups during energy sector restructuring by supplying coal to vulnerable groups.

SO Text for SO: 117-011 Increased transfer of state-owned assets to the private sector

Country/Organization: USAID Moldova

Objective ID: 117-011

Objective Name: Increased transfer of state-owned assets to the private sector

Self Assessment: Meeting Expectations

Primary Links to Agency Strategic Framework: **(Please Assign Percentages, Total Equals 100):**

100% 1.1 Critical private markets expanded and strengthened
0% 1.2 More rapid and enhanced agricultural development and food security encouraged
0% 1.3 Access to economic opportunity for the rural and urban poor expanded and made more equitable
0% 2.1 Rule of law and respect for human rights of women as well as men strengthened
0% 2.2 Credible and competitive political processes encouraged
0% 2.3 The development of politically active civil society promoted
0% 2.4 More transparent and accountable government institutions encouraged
0% 3.1 Access to quality basic education for under-served populations, especially for girls and women, expanded
0% 3.2 The contribution of host-country institutions of higher education to sustainable development increased
0% 4.1 Unintended and mistimed pregnancies reduced
0% 4.2 Infant and child health and nutrition improved and infant and child mortality reduced
0% 4.3 Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced
0% 4.4 HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced
0% 4.5 The threat of infectious diseases of major public health importance reduced
0% 5.1 Threat of global climate change reduced
0% 5.2 Biological diversity conserved
0% 5.3 Sustainable urbanization including pollution management promoted
0% 5.4 Use of environmentally sound energy services increased
0% 5.5 Sustainable management of natural resources increased
0% 6.1 Urgent needs in times of crisis met
0% 6.2 Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established

Link to U.S. National Interests: Economic Prosperity

Primary Link to MPP Goals : Economic Development

Secondary Link to MPP Goals (optional): Open Markets

(Page limitations for narrative begin here):

Summary of the SO:

The Strategic Objective seeks to transfer state assets to the private sector to ensure a fair and more efficient democratic market economy. The intermediate results (IRs) needed for this SO are: IR 1.1.1 Medium and large enterprises sold; IR1.1.3 State or collective farms broken up; and IR 1.1.4 Privatized enterprises acquire associated land for which titles issued. The principle beneficiaries are the people who receive the privatized land and enterprises. In general, the SO is

meeting expectations since most of the performance measures were nearly met or were exceeded in a couple of cases. USAID developed a new agriculture strategy which was then incorporated into the new country strategy during the remainder of 2000.

Key Results:

Performance has been in line with the targets identified in last year's R4.

Medium and large enterprises sold (IR 1.1.1)

This USAID activity closed in December 2000, having achieved 525 complete privatizations versus only 276 planned through sale of residual and reserved shares through the Moldova Stock Exchange only, via various auctioning mechanisms. USAID also assisted the Department of Privatization to select the companies whose shares were offered and prepared the Informational Memoranda including financial data for many of the joint stock companies. The "privatization agent" program, whereby USAID stimulated commission-based brokerage activities, also produced 32 privatizations.

State or collective farms broken up (IR 1.1.3)

At the end of 2000, a cumulative total of 836 farms (716 in 2000) versus 848 that were planned, restructured their debt and completed farm liquidation. Thus, the former collective farms were completely liquidated and the new privately held farms will not be burdened with the debt from the socialist past. In addition, 931 farms (271 in 2000) were privatized that included distribution of land and critical property. A total of 83,920 small individual peasant farms were registered and 3,867 larger private farms (usually from 100 to 1000 hectares of leased land) were registered. In addition, a cumulative total of 2,412,000 land titles (1.33 million in 2000), were issued. A total of 792,000 people have received titles of which 598,000 were from the previous collective agriculture enterprises (farms) and 194,000 were independent farmers/owners.

Enterprises acquiring associated land (IR 1.1.4)

Most of the enterprises that purchase their associated land from the state are privatized enterprises. USAID assistance continues to promote legislation to lower the normative price of enterprise land and to make other changes to simplify and expedite the process. In 2000, work continued at a good pace. The number of enterprises that acquired land was 1973 (versus 800 planned), which more than doubled the total enterprises (3300) acquiring land (2290 parcels). The project also expedited a pilot land mortgage program by working with both lenders and borrowers to conclude 30 mortgage loans (\$274,000) with commercial banks and another 31 mortgage loans with Savings and Credit associations worth \$43,000.

Performance and Prospects:

Implementation of the activities under this SO have been consistent with the implementation plan. The enterprise privatization activity, which ended during the reporting period, exceeded its objectives, clearly contributing to the achievement of the SO. During 2001, USAID will focus on the privatization of Moldtelecom, by providing technical assistance to the newly-established

National Agency for Regulation of Telecommunications and Informatics (ANRTI) under a new SO 2.

Moldova has made significant strides in land privatization and is noted as a model for its achievement in the break-up of state and collective farms and the issuance of constitutionally-valid tradable land titles. The Government of Moldova's (GOM's) National Land Privatization Program (NLPP) was launched in March 1998, following completion of the 73-pilot collective farm break-up implemented in 1996-97. A cumulative total of 2.412 million land titles were issued to 792,000 people.

In the area of enterprise land privatization, 1973 enterprises received title to their land in 2000, which more than doubled the total enterprises (3300) acquiring land (2290 parcels) through USAID assistance.

The privatization of state-owned assets program is winding down, with the exception of selected utilities (see SO narrative for SO 1.5). Residual land titling activities will end in 2001, except a pilot program proposed for Transnistria. A failure to provide additional funding in this area would stop these land titling efforts.

Possible Adjustments to Plans:

USAID approved a new five-year strategic plan for Moldova effective in 2001. The plan has reduced and restructured the Mission's SOs. Selected ongoing and future activities in the area of privatization are being transferred to the new SO 2. Residual land privatization, initiation of pilot land privatization effort in Ribnitsa of Transnistria and privatization of agriculture facilities (wineries, tobacco facilities) also have been moved to SO 2, as have all energy related activities as well as telecommunication work.

Other Donor Programs:

USAID works closely with the World Bank and International Monetary Fund in setting common privatization targets and garnering support in Parliament for privatization laws and other issues.

Major Contractors and Grantees:

USAID's contractor for the agricultural and farm privatization program was East-West Management Institute (EWMI). Booz Allen & Hamilton was responsible for the management of all technical support related to the survey, parceling and titling of all agricultural and urban land privatization activities, legal and regulatory work in support of the National Program and development of land and real estate markets. International Business & Technical Consultants, Inc. was the contractor providing technical assistance and support for the sale or disposition of residual and reserve packets of state-owned shares, and privatization of strategic enterprises. All three contracts ended on Dec 31, 2000, but EWMI continues post privatization work under the new Moldova strategy.

Performance Data Table

Objective Name: Increased Transfer of State-Owned Assets to the Private Sector			
Objective ID: 117-011-01			
Approved: June 1996		Country/Organization: USAID Moldova	
Result Name: IR 1.1.1: Enterprises privatized through mechanisms other than NPBs			
Indicator: Medium and large enterprises originally sold for NPBs effectively privatized			
Unit of Measure: cumulative number	Year	Planned	Actual
Source: MOP	1995(B)		0
Indicator/Description: Total number of enterprises = 1,142	1998	730	692
	1999	900	866
	2000	1,142	1,044
Comments:			

Performance Data Table

Objective Name: Increased Transfer of State-Owned Assets to the Private Sector			
Objective ID: 117-011-01			
Approved: June 1996		Country/Organization: USAID Moldova	
Result Name: IR 1.1.3: State or collective farms broken up			
Indicator: State or collective farms broken up and rural land titles issued to individual members of collective farms			
Unit of Measure: (A) annual number of farms; (B) annual number of titles; (C) annual number of liquidated farms Source: MOP, EWMI, Booz-Allen Indicator/Description: land and property distributed, new private entities formed; private ownership evidenced by land title Comments:	Year	Planned	Actual
	1995(B)		0
	1998	(A) 150 (B) 150,000	(A) 0 (B) 128,319
	1999	(A) 400 (B) 1.2 million (C) 0	(A) 660 (B) 956, 055 (C) 124
	2000	(A) 350 (B) 1.5 million (C) 848	(A) 271 (B) 1.33 million (C) 716

Performance Data Table

Objective Name: Increased Transfer of State-Owned Assets to the Private Sector				
Objective ID: 117-011-01				
Approved: June 1996		Country/Organization: USAID Moldova		
Result Name: IR 1.1.4: Privatized enterprises acquire associated land for which titles issued				
Indicator: Enterprises acquiring associated land				
Unit of Measure: annual number		Year	Planned	Actual
Source: MOP & Booz-Allen		1995(B)		0
Indicator/Description: number of enterprises acquiring associated land		1998	150	555
		1999	650	771
		2000	800	1,973
Comments:				

Performance Data Table

Objective Name: Increased Transfer of State-Owned Assets to the Private Sector			
Objective ID: 117-011-01			
Approved: June 1996		Country/Organization: USAID Moldova	
Result Name:			
Indicator: Percentage of GDP generated by the private sector			
Unit of Measure: percentage as increase each year	Year	Planned	Actual
Source: World Bank/EU-TACIS	1993(B)		0
Indicator/Description: private sector GDP	2000	+3%	+1.9%
Comments: the unit of measure was changed because in 1993 there was another currency in Moldova			

SO Text for SO: 117-012 Increased soundness of fiscal policies and fiscal management practices

Country/Organization: USAID Moldova

Objective ID: 117-012

Objective Name: Increased soundness of fiscal policies and fiscal management practices

Self Assessment: Meeting Expectations

Primary Links to Agency Strategic Framework: (Please Assign Percentages, Total Equals 100):

50% 1.1 Critical private markets expanded and strengthened
0% 1.2 More rapid and enhanced agricultural development and food security encouraged
0% 1.3 Access to economic opportunity for the rural and urban poor expanded and made more equitable
0% 2.1 Rule of law and respect for human rights of women as well as men strengthened
0% 2.2 Credible and competitive political processes encouraged
0% 2.3 The development of politically active civil society promoted
50% 2.4 More transparent and accountable government institutions encouraged
0% 3.1 Access to quality basic education for under-served populations, especially for girls and women, expanded
0% 3.2 The contribution of host-country institutions of higher education to sustainable development increased
0% 4.1 Unintended and mistimed pregnancies reduced
0% 4.2 Infant and child health and nutrition improved and infant and child mortality reduced
0% 4.3 Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced
0% 4.4 HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced
0% 4.5 The threat of infectious diseases of major public health importance reduced
0% 5.1 Threat of global climate change reduced
0% 5.2 Biological diversity conserved
0% 5.3 Sustainable urbanization including pollution management promoted
0% 5.4 Use of environmentally sound energy services increased
0% 5.5 Sustainable management of natural resources increased
0% 6.1 Urgent needs in times of crisis met
0% 6.2 Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established

Link to U.S. National Interests: Economic Prosperity

Primary Link to MPP Goals : Economic Development

Secondary Link to MPP Goals (optional): Open Markets

(Page limitations for narrative begin here):

Summary of the SO:

Strategic Objective (SO) 1.2 aims at increasing soundness of fiscal policies and fiscal management practices. The principle Intermediate Results (IRs) included under this SO are: IR 1.2.1 MOF (Ministry of Finance) budgeting and financial management practices are reformed; IR 1.2.1.2.1 Computerized treasury system is operational; IR 1.2.2 A market-oriented tax system

that encourages compliance is created; and IR 1.2.3 Parliament acts affirmatively on budget and tax reform legislation in Moldova. Direct beneficiaries include the Ministry of Finance, the Parliament, and municipal governments. The ultimate customers are the general populace who will receive more and better social services, public sector employees who will receive their salaries in full and on time, and pensioners as pension payment arrears are now fully paid up. The Mission has rated this SO as “meeting expectations” because it has met all targets to date, and has exceed some very important targets: tax collections and the budget deficit decrease have both exceed the target, and salary and pension arrears were eliminated ahead of schedule.

Key Results:

Moldova continued steady progress in its fiscal reform program with the assistance of USAID in 2000. The USAID-sponsored Center for Budgetary and Financial Analysis, the first parliamentary budget office in the Newly Independent States, has enhanced Parliament's capacity to deliberate on annual budget laws and act on fiscal reform legislation. Parliament adopted the budget process law in 1997 and corresponding ministries implemented it for the 1998 and subsequent budgets. The adoption of a unified tax code that embodies a tax system appropriate for a market-oriented economy was a very significant accomplishment. The new tax code was advanced considerably with the implementation of the corporate and individual income tax laws (titles I and II), the value-added tax law (title III) in 1998, and the excise tax and property tax (titles IV and VI) were approved by the Parliament in 2000. In addition, the administrative tax (title V) is under consideration by the Parliament and has completed its second reading. The new computerized treasury system became operational in all ten regional treasury offices in 2000, and 100% of transactions were being conducted under its supervision in 2000. On a commitment basis with the IMF, the budget deficit was reduced from over eight percent of GDP in 1998 to three percent in 1999 and 2.4% in 2000. Budget revenue in 2000 was up more than 36% over 1999. In December 2000, the IMF released a \$12 million lending tranche due to improvement in fiscal policy and budget management practices. USAID assistance to the GOM in promoting fiscal reform has contributed primarily to lay the foundation for positive economic growth rate of 1.9% of GDP in the year 2000 and an expected five percent in 2001. The rate of inflation dropped from 43.7% in 1999 to 18.4% in 2000.

MOF budgeting and financial management practices are reformed (IR 1.2.1)

The law on budget process (passed in 1997) created the legal basis for a comprehensive budget process, and it is expected that the resulting procedures will lead ministries to make reallocation decisions designed to meet their budget targets and shift resources to higher-priority programs. In 1999, while priority was given to resource mobilization, continued attention was given to the management of budget expenditures. A law on local government finance was adopted in 1999 and revised in late 2000. Implementation of this legislation and subsequent changes in 2000 continue to improve the budgeting and financial management practices of local government as well. In addition, in late 2000, the MOF expressed its intent to begin a phasing-in of multi-year performance program budgeting with the 2002 budget.

Computerized treasury system is operational (IR 1.2.1.2.1)

Significant progress was also made on the development of the Treasury system with all revenue and expenditure accounts of state organizations closed and their functions taken over by the Treasury. The system was installed and tested in coordination with the existing system in the Chisinau regional Treasury, which represents over 50% of total transactions. The computerized system was extended to the nine other regional treasuries in Moldova as of April 1, 1998, and became fully operational in 1999. In 2000, Treasury began working on municipal treasuries in the largest cities. This effort is expected to become operational by December 2001. USAID assistance has helped the Treasury to develop a computerized system that incorporates budget execution, general ledger accounting functions, recording cash inflows and outflows and debt management functions. Over the next three years, one of the most important goals will be to expand the system so that it can monitor and control commitments. The second goal will be to enhance the financial management and forecasting abilities of the Treasury Department so that it can ensure that it will have the cash available to make timely payment of salaries, pensions and other obligations.

A market-oriented tax system that encourages compliance is created (IR 1.2.2)

The Parliament enacted the corporate and individual income tax laws (titles I and II) with an effective date in January 1998. The value-added tax law (title III) was passed and also became effective in 1998. Titles IV and VI (excise tax and property tax) were enacted for implementation in January 2001. Significant revenue increases in 1999 and 2000 were achieved as the new laws were implemented. In 2000 the increase in the state tax collection was 39% when compared to 1999, and about 20% after adjusting for inflation. As a result, the deficit is also decreasing. The 2001 budget anticipates a deficit of 280 million lei, 1.5% of GDP, down from 9.7% of GDP in 1996. Some of the key successes concerning progress in tax administration have been achieved by revising the income tax laws (corporate and individual) to use International Accounting Standards and a combined single tax code. As computerization takes place with the support of USAID, more accurate forecasts and better management assessment of results will be available. The tax system further improved in 2000 as measured by the cost of tax administration when compared to tax collections. In 2000, this measure indicates increased efficiency, productivity and effectiveness. The State Tax Service's (STS) operating costs were reduced by approximately one percent in 2000 over the previous year while revenues increased by approximately 30%. USAID technical assistance in improving the tax system also supports economic growth. With respect to Moldova's industrial and commercial enterprises, the corporate income tax, when coupled with the shift to International Accounting Standards, will result in fairer taxation, based on a realistic rather than notional definition of profit. The law changes also recognize the importance of the agricultural and small business sectors, which are keys to Moldova's economic future. Much of this will occur as the result of increasing the VAT registration threshold beginning in 2001.

Parliament acts affirmatively on budget and tax reform legislation (IR1.2.3)

In Moldova, the Parliament has acted affirmatively on fiscal reform legislation with the adoption of the budget process law. USAID technical assistance helped to establish the Center for Budgetary and Financial Analysis (CBFA). The central task of this institution is to assist parliamentary committees in deliberations on fiscal and budget legislation, such as the law on

budget process, the budget system law and annual budget laws, as well as the law on the National Bank of Moldova, the laws on internal and external debt and guarantees, the law on privatization, and the draft law on pensions. To improve the analytical capacity of the Center, USAID has been helping to expand and consolidate data on expenditures, public debt and fiscal and non-fiscal revenue collections; local government fiscal information and general socio-economic data. These efforts are coordinated with the Ministry of Finance, the Department of Statistics and Sociological Studies, the Ministry of Economy, the Ministry of Labor and the National Bank of Moldova. USAID continues to provide opportunities for senior staff of the center and parliamentarians on the committees to improve their knowledge of methodologies at similar institutions in other countries, including the United States.

Performance and Prospects:

Actual performance under this SO has been consistent with the implementation plan. USAID's fiscal reform program has resulted in better fiscal policies to help the GOM meet IMF budget deficit targets and promote sound fiscal management practices. In response to IMF targets, the GOM has reduced the budget deficit from over eight percent of GDP in 1998 to three percent in 1999 and 2.4 percent in 2000 with the assistance provided by USAID. In order to meet these continued requirements, the GOM is highly receptive to the assistance provided by USAID to expand the fiscal reform program in areas such as tax administration, budget discipline, debt management, and inter-government finance. The continued achievement of planned targets will contribute to a steady application of tight financial policies and accelerated structural reform that should sharply reduce budget financing requirements, reduce the current account deficit, and restore the confidence in the lei at a new level. This will lay the foundation for real positive growth in 2001. On the other hand, if USAID funding is not forthcoming this year, IMF targets will not be met, the budget deficit will increase, GDP growth will decrease, and the achievements made in salary and pension payments will be reversed.

Possible Adjustments to Plans:

USAID approved a new five-year strategic plan for Moldova effective in 2001. The plan has reduced and restructured the Mission's SOs. This SO will become part of a new SO 1 for Moldova.

Other Donor Programs:

In 2000, USAID was again the key provider of technical assistance in fiscal reform. The IMF did not provide any direct technical assistance in the 2000 and it is not expected that they will do so in 2001. The World Bank has continued to provide assistance and this included the provision of local consultants for external debt management and mid-term expenditure program working under the direction of USAID contractors.

Major Contractors and Grantees:

The Contractor for USAID's tax reform, budget process, inter-government finance and parliamentary development activities is Barents Group/KPMG Consulting.

Performance Data Table

Objective Name: Increased Soundness of Fiscal Policies and Fiscal Management Practices			
Objective ID: 117-012-01			
Approved: June 1996		Country/Organization: USAID Moldova	
Result Name: IR1.2.1: MOF budgeting and financial management practices are reformed			
Indicator: Comprehensive budget process law implemented following adoption			
Unit of Measure: Yes/No	Year	Planned	Actual
Source: Ministry of Finance, Parliament	1995(B)		No
Indicator/Description: Covers state budget classification, preparation, adoption, execution, control and auditing, plus local government budgets and state debt authority	1998	Yes	Yes
	1999	Yes	Yes
	2000	Yes	Yes
Comments:			

Performance Data Table

Objective Name: Increased Soundness of Fiscal Policies and Fiscal Management Practices			
Objective ID: 117-012-01			
Approved: June 1996		Country/Organization: USAID Moldova	
Result Name: IR 1.2.2: A market-oriented tax system that encourages compliance is created			
Indicator: Tax base broadens			
Unit of Measure: percent growth in number of returns filed over baseline	Year	Planned	Actual
	1996(B)		NA
Source: Ministry of Finance	1998	25	25
Indicator/Description: sources of income subject to tax	1999	35	35
	2000	45	NA*
Comments: *2000 actual data will be available after March 2001.			

Performance Data Table

Objective Name: Increased Soundness of Fiscal Policies and Fiscal Management Practices			
Objective ID: 117-012-01			
Approved: June 1996		Country/Organization: USAID Moldova	
Result Name: SO 1.2.2: A market-oriented tax system that encourages compliance is created			
Indicator: Revenue generated compared to expected with full compliance			
Unit of Measure: percent	Year	Planned	Actual
Source: Ministry of Finance	1996(B)		25
Indicator/Description: generated as percentage of expected	1998	40	40
	1999	60	70
	2000	70	70
Comments:			

Performance Data Table

Objective Name: Increased Soundness of Fiscal Policies and Fiscal Management Practices			
Objective ID: 117-012-01			
Approved: April 2000		Country/Organization: USAID Moldova	
Result Name: IR 1.2.3: Parliament acts affirmatively on fiscal reform legislation			
Indicator: CBFA provides timely and professional analysis of fiscal affairs to Parliament			
Unit of Measure: Yes/No	Year	Planned	Actual
Source: survey of MPs and staff	1995(B)		No
Indicator/Description: MPs and staff express satisfaction with the services and information provided by CBFA	2000	Yes	Yes
Comments:			

Performance Data Table

Objective Name: Increased Soundness of Fiscal Policies and Fiscal Management Practices				
Objective ID: 117-012-01				
Approved: June 1996		Country/Organization: USAID Moldova		
Result Name:				
Indicator: GOM meets IMF deficit targets				
Unit of Measure: Yes/No		Year	Planned	Actual
Source: IMF Resident Representative		1995(B)		No (5.5% actual)
Indicator/Description: Budget deficit does not exceed limit in IMF program, according to IMF definition				
Comments:		2000	Yes	Yes

SO Text for SO: 117-013 Accelerated development and growth of private enterprises

Country/Organization: USAID Moldova

Objective ID: 117-013

Objective Name: Accelerated development and growth of private enterprises

Self Assessment: Meeting Expectations

Primary Links to Agency Strategic Framework: (Please Assign Percentages, Total Equals 100):

50% 1.1 Critical private markets expanded and strengthened
30% 1.2 More rapid and enhanced agricultural development and food security encouraged
0% 1.3 Access to economic opportunity for the rural and urban poor expanded and made more equitable
0% 2.1 Rule of law and respect for human rights of women as well as men strengthened
0% 2.2 Credible and competitive political processes encouraged
0% 2.3 The development of politically active civil society promoted
20% 2.4 More transparent and accountable government institutions encouraged
0% 3.1 Access to quality basic education for under-served populations, especially for girls and women, expanded
0% 3.2 The contribution of host-country institutions of higher education to sustainable development increased
0% 4.1 Unintended and mistimed pregnancies reduced
0% 4.2 Infant and child health and nutrition improved and infant and child mortality reduced
0% 4.3 Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced
0% 4.4 HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced
0% 4.5 The threat of infectious diseases of major public health importance reduced
0% 5.1 Threat of global climate change reduced
0% 5.2 Biological diversity conserved
0% 5.3 Sustainable urbanization including pollution management promoted
0% 5.4 Use of environmentally sound energy services increased
0% 5.5 Sustainable management of natural resources increased
0% 6.1 Urgent needs in times of crisis met
0% 6.2 Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established

Link to U.S. National Interests: Economic Prosperity

Primary Link to MPP Goals : Open Markets

Secondary Link to MPP Goals (optional): No Secondary Linkage

(Page limitations for narrative begin here):

Summary of the SO:

For private enterprise to develop, certain preconditions are required. The success of Moldova's transition to a market economy depends on the ability of the private sector to attract investment, expand production, increase export and operate in an open and transparent environment. The USAID program focuses on removing the impediments to sustained enterprise growth. Technical assistance has been provided to develop a sound legal and regulatory framework

which must guarantee property rights, particularly an adequate body of commercial law based upon market principles. The adoption of corporate governance standards and international accounting system has been addressed. Other activities included the development of joint ventures in the agricultural sector. The principle IRs included under this SO are: IR 1.3.2 Legal, regulatory and political environment conducive to sustainable enterprise growth; IR 1.3.2.1 Commercial legal systems developed; IR 1.3.2.2 International accounting standards adopted; and IR 1.3.3 Selected agricultural joint ventures created. The direct beneficiaries of this SO are the National Bank of Moldova, private businessmen/women including private farmers, and both domestic and foreign investors. Activities under this SO are on track since most performance indicators were met.

Key Results:

Legal, regulatory and political environment conducive to sustainable private enterprise growth (IR 1.3.2)

USAID's legal reform activity was initiated in 1998 to assist the Ministry of Justice to establish the basic framework for commercial law. In 1999, the USAID-funded commercial law project started drafting a new civil code for Moldova to support coherent commercial legislation compatible with a market economy. The draft civil code in Russian and in Rumanian was finalized for presentation to the Parliament for review and discussion in 2000. Joint work with the Foreign Investment Advisory Service, an agency of the World Bank, resulted in a draft strategic investment code to attract foreign investors and develop commercial activity in Moldova. In parallel, a comprehensive needs assessment which included the Ministry of Justice, the Court system and the Parliament was conducted. An analysis of the draft Law on the Organization and Functioning of the Ministry of Justice was provided at the request of the Minister of Justice. Another analytical report for the creation of Legislative Council Center was prepared for the Parliament. Given the importance of the Economic Courts in Moldova's economic development, USAID's legal reform activity assessed the Courts to determine the most important areas for reform, and how to make the Courts more effective players in the commercial arena. Seminars on the role of policy makers in legislative drafting, as well as on laws and institutions essential to a market economy, were conducted, and a series of reports analysing a variety of commercial law issues, including collateral law, real estate ownership, intellectual property, private international law, and enforceability of foreign judgment were prepared at the request of local counterparts during the reporting period.

International accounting system developed (IR 1.3.2.2)

With USAID and now-terminated World bank support the Government of Moldova (GOM) has adopted and implemented 20 national accounting standards (NAS) based on International Accounting Standards (IAS), three of which, along with the International Standards on Audits (ISA), were adopted in 2000. USAID has also been instrumental in building up the institutional and technical capacity of the Association of Professional Accountants and Auditors of Moldova (ACAP), an accounting and audit self regulated association. ACAP has obtained associate membership in the International Federation of Accountants (IFAC). Certification examinations for accountants were initiated in December 1999. Five ACAP members passed all parts of the certification examination and became the first certified accountants of Moldova. Also in 1999,

membership in ACAP more than doubled to some 1,300, surpassing the planned target of 1,000 members. In 2000, the number of ACAP members rose to 1,600. ACAP members have trained over 5,500 accountants from some 3,000 enterprises. All commercial banks and some 20,000 enterprises have converted to IAS-based national accounting standards. A new five-year accounting curriculum for bachelor and master degrees in accounting was developed and approved by the Senate of the Academy of Economic Studies of Moldova (AESM). By the end of 2000, over 7,000 students were enrolled in this curriculum. In September 2000, the University of Nebraska at Omaha (UNO) agreed to a partnership program with AESM for curriculum development, study programs, and exchanges of professors and students.

Selected agricultural joint ventures created (IR 1.3.3)

During the reporting period, the U.S. Agribusiness Partnership Program concentrated on strengthening existing farm service centers, creating new centers, and developing a network of village stores to serve Moldova's private farmers with a private agricultural input distribution system. Access to cash was facilitated through the creation of a savings and credit association as part of each store, if one did not already exist nearby. In FY 2000, one new regional farm service center brought the total to four completed versus five that were planned. Also, nine farm villages stores were completed versus ten that were planned. These regional and farm stores provide new private farmers, who received their land from the national land program, with needed agriculture inputs along with tractors and other services. The GOM undertook efforts to improve prospects for small and medium enterprises (SMEs); USAID responded with assistance in policy advisory services and support to business association development. An SME baseline survey was conducted to provide more accurate information regarding the sector and to help identify areas of assistance. In the future, development of four additional regional centers and 75 farm stores, along with five additional agribusiness partnerships, are planned. The focus is now on the provision of agriculture inputs and agricultural commodity processing for both internal and export markets.

Performance and Prospects:

Actual implementation during the reporting period generally followed the implementation plan which remains valid and on track. In the spring of 2000, the draft civil code, that can serve as the foundation for commercial legislation appropriate for a market economy and private sector development, was provided to the Parliament for review. USAID provides technical assistance to support the GOM and the Parliament in the review and approval process of the draft civil code. Significant success in the development of professional capacity in accounting and auditing and an accounting curriculum based on western accounting practices was achieved during this reporting period. Planned activities for 2001 will include further development of the technical basis of accounting and auditing, with emphasis on auditing, development of the capacity of professors in western accounting practices, and strengthening of the institutional capacity of ACAP to represent and uphold the professional and ethical standards of its membership. Finally, based in part on an agriculture assessment that was done and success of the previous program, a new Private Farmer Commercialization Program was developed as part of the post-privatization program. A cessation of funding at this time would prevent access by the new cadre of private sector farmers to necessary agricultural inputs, thus jeopardizing the entire land privatization

program. While the consequences to other areas would be less dire, the development of private enterprise would be significantly slowed.

Possible Adjustments to Plans:

USAID approved a new five-year strategic plan for Moldova effective in 2001. The plan has reduced and restructured the Mission's SOs. This SO will become part of a new SO 2 for Moldova.

Other Donor Programs:

USAID is the key provider of technical assistance in legal reform, accounting and agricultural development and coordinates its activities with the World Bank. UNDP and GTZ provide some support in legislation drafting and EU-TACIS has several projects in agriculture extension services. USAID coordinates its activities with the World Bank, UNDP and the European Union.

Major Contractors and Grantees:

IRIS is the contractor for Commercial Law, East-West Management Institute for Accounting Reform, CNFA for Agribusiness Partnership, and DAI for Small and New Business Program.

Performance Data Table

Objective Name: Accelerated Development and Growth of Private Enterprises				
Objective ID: 117-013-01				
Approved: June 1996		Country/Organization: USAID Moldova		
Result Name: IR 1.3.2 Legal, regulatory and political environment conducive to sustainable enterprises growth				
Indicator: Civil code drafted and approved				
Unit of Measure:		Year	Planned	Actual
Source: IRIS Legal Reform Center		1995(B)		None
Indicator/Description: A - Comment on draft civil code, B - final draft civil code, C - civil code introduced to parliament, D - civil code passed		1998	A	A
		1999	B	B
		2000	C	C
Comments:				

Performance Data Table

Objective Name: Accelerate Development and Growth of Private Enterprises			
Objective ID: 117-013-01			
Approved: June 1996		Country/Organization: USAID Moldova	
Result Name: IR 1.3.2.1 Commercial legal systems developed			
Indicator: Coherent commercial legislation supportive of a market economy			
Unit of Measure: A - Comment on draft of various commercial law statutes in the Civil Code, B - Draft of Civil Code, C – Draft of Commercial Law, D – Draft of Commercial Law approved, E - Commercial Law implemented	Year	Planned	Actual
	1995(B)		None
	1998	A	A
	1999	B	B
	2000	C	D
Source: IRIS Legal Reform Center			
Indicator/Description:			
Comments:			

Performance Data Table

Objective Name: Accelerated Development and Growth of Private Enterprises			
Objective ID: 117-013-01			
Approved: June 1996		Country/Organization: USAID Moldova	
Result Name: IR 1.3.2.2: International accounting standards adopted			
Indicator: Dues-paying membership of the Moldavian association performing as an SRO			
Unit of Measure: number of persons	Year	Planned	Actual
Source: SROs	1995(B)		0
Indicator/Description: Association of Moldavian Accountants and Auditors of the Republic of Moldova	1998	450	640
	1999	1,000	1,300
	2000	1,500	1,600
Comments:			

Performance Data Table

Objective Name: Accelerate Development and Growth of Private Enterprises			
Objective ID: 117-013-01			
Approved: June 1996		Country/Organization: USAID Moldova	
Result Name:			
Indicator: Private sector firms operating and generating empolymnt			
Unit of Measure: percent	Year	Planned	Actual
Source: Ministry of Statistics/DAI	1996(B)		(48,555)
Indicator/Description: annual increase in registered firms over baseline	2000	20%	390%
Comments:			

SO Text for SO: 117-014 A More Competitive and Market-Responsive Private Financial Sector

Country/Organization: USAID Moldova

Objective ID: 117-014

Objective Name: A More Competitive and Market-Responsive Private Financial Sector

Self Assessment: Meeting Expectations

Primary Links to Agency Strategic Framework: **(Please Assign Percentages, Total Equals 100):**

70% 1.1 Critical private markets expanded and strengthened
0% 1.2 More rapid and enhanced agricultural development and food security encouraged
0% 1.3 Access to economic opportunity for the rural and urban poor expanded and made more equitable
0% 2.1 Rule of law and respect for human rights of women as well as men strengthened
0% 2.2 Credible and competitive political processes encouraged
0% 2.3 The development of politically active civil society promoted
30% 2.4 More transparent and accountable government institutions encouraged
0% 3.1 Access to quality basic education for under-served populations, especially for girls and women, expanded
0% 3.2 The contribution of host-country institutions of higher education to sustainable development increased
0% 4.1 Unintended and mistimed pregnancies reduced
0% 4.2 Infant and child health and nutrition improved and infant and child mortality reduced
0% 4.3 Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced
0% 4.4 HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced
0% 4.5 The threat of infectious diseases of major public health importance reduced
0% 5.1 Threat of global climate change reduced
0% 5.2 Biological diversity conserved
0% 5.3 Sustainable urbanization including pollution management promoted
0% 5.4 Use of environmentally sound energy services increased
0% 5.5 Sustainable management of natural resources increased
0% 6.1 Urgent needs in times of crisis met
0% 6.2 Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established

Link to U.S. National Interests: Economic Prosperity

Primary Link to MPP Goals: Economic Development

Secondary Link to MPP Goals (optional): Open Markets

(Page limitations for narrative begin here):

Summary of the SO:

Banking reform emphasizes the development of private banking, bank supervision and bank accounting. As for the capital markets in Moldova, the regulatory bodies are still in their infancy and need to be strengthened to be operational and able to provide oversight and licensing to the private sector. SO 1.4 aims to create a more competitive and market responsive private financial sector by ensuring the restructuring of the banking sector together with the creation of a transparent and open securities market. The principle intermediate results (IRs) included under

this SO are: IR 1.4.1 Market-oriented private banking sector developed; IR 1.4.1.1 Financial infrastructure promotes confidence in the banking system; IR 1.4.3 Transparent and open securities system established; and IR 1.4.3.2 Active and open trading of shares on the Moldova Stock-Exchange. The direct beneficiaries of this SO include the National Bank of Moldova, the commercial banks, private and state owned enterprises, the stock exchange and, potentially, foreign investors; the ultimate customers are the employees of these organizations and the consumers of their services. Activities under this SO are on track since performance indicators were met.

Key Results:

The progress so far achieved by the banking system in Moldova is the direct result of USAID assistance to promote reforms pursued by the National Bank of Moldova. It has helped reorganize or liquidate non-performing banks, and to develop one of the best banking laws in terms of international standards within the NIS countries. Moldova now has a market-oriented private banking sector where only one bank out of twenty three banks, remains under state control. The ratio of state-owned bank assets to total bank assets is less than one percent.

Great strides have also been made in building the basic capital markets infrastructure which includes the State Commission for Securities Market (SCSM), replaced in 1999 by the National Securities Commission (NSC), and the Moldova Stock Exchange (MSE). In 2000, USAID continued its support to the NSC and the MSE to ensure full correspondence between new legislation and procedures.

Market-oriented private banking sector developed (IR 1.4.1)

The momentum of the private banking sector has not been lost after the 1998 Russian financial crisis. The National Bank of Moldova has taken aggressive action to reorganize and privatize the banking system with the assistance of USAID. The role of the former state banks continues to decrease relative to the new private banks. By the end of the 1990's only two out of the twenty banks were partly owned by the state, representing just 4 percent of total bank capital. In 2000, the ratio of assets of the only state-owned bank - the Savings Bank, where the state owned 56% of the capital - to total bank assets was less than one percent. At the same time, the commercial banks, as well as the bank supervision department of the National Bank, continued to receive systematic training on International Accounting Standards (IAS) and international auditing practices. In 2000, the shareholders and customers of banks received their financial and audited statements based on IAS. The use of IAS gave depositors, investors, and regulatory agencies confidence that the information they received on the banks is accurate.

Financial infrastructure promotes confidence in the banking system (IR 1.4.1.1)

Banking supervision by the National Bank of Moldova has been substantially improved. A bank performance report (BPR) was developed for use by the National Bank's Supervision Department. It included information for each of the 23 banks in Moldova for assets and liabilities, income and expense, numerous financial ratios for analysis, and information to determine compliance with banking laws and regulations. All 44 members of the supervision staff and management were trained in the use of this report and ratio analysis. In 2000, the BPR

was used to show for the whole banking system the comparison between banks and their peers. An early warning system was developed in conjunction with the BPR. The Bank Off-site Supervision (BOSS) activity was implemented, and the the BPR was provided for oversight to the Bank On-site Supervision and Bank Resolution Unit (BRU). Comparative analysis was added to the supervisor's array of tools to aid in the review of banks and the entire banking system. These improvements contributed to raise overall confidence in the banking system and promote growth of the banking sector. As a result, the annual increase in the amount of loans in 2000, as compared to 1999, was 69%, or 39% after adjustment for inflation.

Transparent and open securities system established (IR 1.4.3)

With the assistance of USAID, Parliament approved the Law on the Securities Market and the Law on National Securities Commission in March 1999. In 2000, USAID continued to support the NSC which succeeded the SCSM in 1999. Specifically, USAID assisted the NSC in preparing a revised Law on Fiduciary Management and Trust Companies; a new reporting requirement by broker-dealers, registrars, depositories, and investment funds; and, in coordination with the Accounting Reform Project, new national accounting standards for how Investment Funds value their assets and report them to shareholders and the NSC. In addition, several NSC commissioners, department heads and MSC executives were sent to regional conferences and training in their fields of specialty. There was an increase in the number and volume of shares traded with 769 companies trading at least once during 1999; however, the absolute numbers understate the overall activity on the MSE where trading in unlisted shares in 1999 was five times more than listed shares. The increasing trend continued in 2000.

Active and open trading of shares on the MSE (IR 1.4.3.2)

The total volume of shares traded on the MSE in 2000 was 23,880,771, more than tripling the target of 7,500,000. The increase in trading volume by listed and unlisted companies is derived primarily from investment fund-type swaps representing 60% or more of the trades seeking to consolidate blocks of shares in enterprises. Both 'listed' and 'non-listed' companies are registered on the Moldova Stock Exchange (MSE); a 'listed' company has simply chosen to pay a higher registered fee for greater status and publicity on the MSE.

Performance and Prospects:

Actual implementation of the activities under this SO were in line with the implementation plan. The Moldovan banking system fully converted to International Accounting Standards and, under better supervision, contributed significantly to promote public confidence in 2000. Competition from foreign banks also improved the competitive financial sector environment. In 2000, real GDP growth increased from a negative 4.4% in 1999 to a positive 1.9%, while inflation was reduced from 39% in 1999 to 18% in 2000. Concerning the capital market, the total volume of shares traded on the MSE has significantly increased. Further implementation of international standards of governance and disclosure disseminated by the Organization of Economic Cooperation and Development and the International Organization of Securities Commissions will enable enterprises and banks adopting these standards to better attract investment. With improved prospects for economic growth and inflation under control, there will be a significant increase in bank financial intermediation and capital market activities in 2001. If no additional

funds were forthcoming for this SO the Mission believes that inflation and interest rates would rise, damaging the privatization program and the prospects for further foreign investment.

Possible Adjustments to Plans:

USAID approved a new five-year strategic plan for Moldova effective in 2001. The plan has reduced and restructured the Mission's SOs. This SO will become part of a new SO 1 for Moldova.

Other Donor Programs:

The IMF ended its assistance to the National Bank on the on-site inspection program and legal work in 1999 due to lack of funds. USAID was the key provider of the core technical assistance to the financial sector in 2000.

Major Contractors and Grantees:

The contractor for USAID's bank supervision and bank accounting activities is KPMG/Barents Group. The capital markets assistance contractor is IBTCI.

Performance Data Table

Objective Name: A more competitive and market-responsive private financial sector			
Objective ID: 117-014-01			
Approved: June 1996		Country/Organization: USAID Moldova	
Result Name: IR 1.4.1: Market-oriented private banking sector developed			
Indicator: Assets of former state owned banks decreases			
Unit of Measure: Ratio of state owned banks' assets over total bank assets	Year	Planned	Actual
	1995 (B)		70
Source: NBM	1998	57	54
Indicator/Description: total assets of 4 former and current state owned banks (Agroind Bank, Banca Sociala, Moldincon Bank and Savings Bank)	1999	52	52
	2000	47	47
Comments:			

Performance Data Table

Objective Name: A more competitive and market-responsive private financial sector			
Objective ID: 117-014-01			
Approved: June 1996		Country/Organization: USAID Moldova	
Result Name: IR 1.4.3: Transparent and open securities system established			
Indicator: Total corporate securities market capitalization			
Unit of Measure: \$ millions	Year	Planned	Actual
Source: Securities Commission/Stock Exchange	1995(B)		8.5
Indicator/Description: sum of equity values of all listed companies having traded at least once on stock exchange in prior year.	1998	8.6	19.2
	1999	25.0	19.1
	2000	25.0	407.7*
Comments: data received from FSNs of the ex-contractor			

Performance Data Table

Objective Name: A more competitive and market-responsive private financial sector			
Objective ID: 117-014-01			
Approved: June 1996		Country/Organization: USAID Moldova	
Result Name: IR 1.4.3: Transparent and open securities system established			
Indicator: Total corporate securities market capitalization			
Unit of Measure: \$ millions	Year	Planned	Actual
Source: Securities Commission/Stock Exchange	1995(B)		8.5
Indicator/Description: sum of equity values of all listed companies having traded at least once on stock exchange in prior year.	1998	8.6	19.2
	1999	25.0	19.1
	2000	25.0	407.7*
Comments: data received from FSNs of the ex-contractor			

Performance Data Table

Objective Name: A more competitive and market-responsive private financial sector			
Objective ID: 117-014-01			
Approved: June 1996		Country/Organization: USAID Moldova	
Result Name:			
Indicator: Increased private sector investment			
Unit of Measure: percentage	Year	Planned	Actual
Source: NBM Statistical Department	1995(B)		35
Indicator/Description: share of total commercial bank credits to private enterprises and households as a percentage of total bank credits	1999	60	65
	2000	65	43.5
Comments: 43.5% in 2000 is higher than 65% in 1999 because adjustment to inflation rate in 1999 was 39% and in 2000 -- 18%. After adjustment to inflation the increase in 1999 was 25.5% and in 2000 -- 32.5%.			

SO Text for SO: 117-015 A more economically sustainable and environmentally sound electric industry and energy sector

Country/Organization: USAID Moldova

Objective ID: 117-015

Objective Name: A more economically sustainable and environmentally sound electric industry and energy sector

Self Assessment: Meeting Expectations

Primary Links to Agency Strategic Framework: **(Please Assign Percentages, Total Equals 100):**

50% 1.1 Critical private markets expanded and strengthened
0% 1.2 More rapid and enhanced agricultural development and food security encouraged
0% 1.3 Access to economic opportunity for the rural and urban poor expanded and made more equitable
0% 2.1 Rule of law and respect for human rights of women as well as men strengthened
0% 2.2 Credible and competitive political processes encouraged
0% 2.3 The development of politically active civil society promoted
0% 2.4 More transparent and accountable government institutions encouraged
0% 3.1 Access to quality basic education for under-served populations, especially for girls and women, expanded
0% 3.2 The contribution of host-country institutions of higher education to sustainable development increased
0% 4.1 Unintended and mistimed pregnancies reduced
0% 4.2 Infant and child health and nutrition improved and infant and child mortality reduced
0% 4.3 Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced
0% 4.4 HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced
0% 4.5 The threat of infectious diseases of major public health importance reduced
0% 5.1 Threat of global climate change reduced
0% 5.2 Biological diversity conserved
0% 5.3 Sustainable urbanization including pollution management promoted
50% 5.4 Use of environmentally sound energy services increased
0% 5.5 Sustainable management of natural resources increased
0% 6.1 Urgent needs in times of crisis met
0% 6.2 Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established

Link to U.S. National Interests: Economic Prosperity

Primary Link to MPP Goals: Economic Development

Secondary Link to MPP Goals (optional): Open Markets

(Page limitations for narrative begin here):

Summary of the SO:

Moldova's energy sector is in desperate condition, though electricity retail distribution is improving. Energy production and consumption are extremely inefficient due to inadequate technology, sparse metering, and disincentives to conservation resulting from low prices and collection rates. The strategic objective (SO), A more economically sustainable and environmentally sound electric industry and energy sector, is intended to promote the

development of an efficient, reliable and financially self-sustaining energy sector that is appropriate for the emerging Moldovan market economy. By FY 2005, it is expected that the energy sector in Moldova will be economically and environmentally sustainable, with revenues covering operating costs and depreciation of assets and greater efficiency in the production and consumption of energy. The most significant intermediate results (IRs) are: IR 1.5.1 Market-based wholesale/retail tariffs introduced, IR 1.5.2 Market operation documents approved and contracts in place, and IR 1.5.3 Privatization of individual electric industry participants. The immediate direct beneficiaries will be the restructured energy enterprises, regulators and Government of Moldova (GOM) agencies that will be better equipped to contribute to the development of a rational energy sector. The entire Moldovan population will benefit from the economic revitalization and stability engendered by USAID's energy sector support. This SO is on track and met expectations in 2000 as most targets have been met, though political turbulence has caused some delays in the process.

Key Results:

In February 2000, three electric distribution companies (DISTCOs) were sold to Union Fenosa, a well-respected and well-capitalized private Spanish electric utility company. This is only the third electric utility privatization in the CIS and the largest-ever foreign investment in Moldova. USAID assistance played a prominent role in facilitating this privatization.

A critical pre-requisite for privatization and an efficient post-privatization energy sector is an independent, market-oriented and transparent regulatory body which strikes the right balance between consumer and industry interests. Since Western regulatory concepts were unfamiliar to Moldova's National Energy Regulatory Agency (ANRE), prior to their introduction by USAID, this marked the first time ANRE faced a Western utility operator in crucial discussions on tariffs, licenses, etc. ANRE and the GOM greatly benefited from USAID-funded advisors being on the 'same side of the negotiating table' against a much better funded counter-party.

GOM Meets World Bank and IMF Energy Sector Conditions (SO level indicator)

Recognizing that these Intermediate Financial Institutions' (IFIs') conditions are dynamic and flexible, the World Bank and the IMF considered progress in energy (as part of the much broader conditionality which primarily included Parliament approving a satisfactory 2001 budget) sufficient as of December 2000 to release tranches of the Strategic Adjustment Credit (SAC) and Poverty Reduction and Growth Facility. However, longer-term conditions of approving final power market rules and identifying budgetary resources to finance power sector subsidies have not been met. Further, in February 2001, ANRE's General Director was fired which partially suspended release of the SAC.

Market-based wholesale/retail tariffs introduced (IR 1.5.1)

USAID consultants have also advised ANRE on developing new power market rules, setting electricity tariffs at cost recovery levels, writing Western-quality licenses, and advised the GOM on adopting the law on energy sector debt. Such tariffs, including a sufficient profit, are mandatory to (a) attract future strategic investors and (b) keep Union Fenosa in Moldova committed to its future capital investment obligations. There is steady pressure on the autonomy

and authority of the ANRE; its independence was recently attacked again, through the firing of the ANRE head after an increase of heat tariffs. This provides a graphic illustration why USAID regulatory and legal advisors will continue to be necessary for ANRE.

Although basic tariff calculation is still “market”-based as in last year’s report, USAID consultants will continue to nurture ANRE in the direction of rate-of-return (RoR) or return on investment (RoI) methodology as opposed to simple cost-recovery, dependent of course, on future strategic investors.

Market operation documents approved and contracts in place (IR 1.5.2)

Freeing energy producers and distributors from subordination to the intermediary national grid company, MoldElectrica, direct bilateral contracts afford participants the ability to transact business under a more economic and efficient regime. Payments bypass MTE flowing directly from DISTCO to energy providers. The more the energy sector works under the new power market rules - as reflected in the number of bilateral contracts signed - the more economically sustainable the sector will become.

Draft power market rules, adopted by ANRE, will be finalized after consultation with all market participants, particularly Union Fenosa and the new acquirer of the remaining electric sub-sector companies; hence their status is similar to last year’s. Pursuant to the new power market rules, MTE will administer the 'balancing market' to satisfy electricity demand not met by bilateral contracts.

Privatization of individual electric industry participants (IR 1.5.3)

Thus far, only the three aforementioned DISTCOs have been sold, but the remaining two DISTCOs are scheduled to be privatized by June 2001. An initial tender for the three GENCOs and Chisinau District Heating Company, Termocom, was unsuccessful and will be re-attempted during 2001.

USAID advised the GOM on a revised Electricity Law to transform MoldTransElectro into a transmission system operator and central dispatcher. Implementing the revised law in the fall of 2000, with the advice of USAID energy consultants, the Ministry of Energy and Industry accomplished a complete divestiture of MoldTransElectro which isolated the newly named core operating company, MoldElectrica, from the remaining auxiliary constituents of MoldTransElectro. This also more rationally segregated MoldTransElectro’s huge debt burden (inherited from the DISTCOs’ privatization).

Performance and Prospects:

Implementation under this SO is slightly behind the implementation plan due to the changed political situation (i.e. the new Communist government) and the failure of the initial GENCOs offering. Privatization of the remaining two Northern DISTCOs is expected in spring 2001. GENCO privatization, intricately tied with restructuring of the Chisinau district heating company, Termocom, is far more difficult due to political and technical problems in payments collections.

The EBRD and International Finance Corporation are currently in the process of negotiating a program, which would provide significant support for the privatization of the energy sector by providing equity and debt capital to the existing strategic investor.

Since privatization is key to the introduction of financial discipline, reduction of energy thefts, and gradual elimination of foreign energy debts, USAID regulatory and legal advisors will continue advising ANRE on the remaining privatization process and on negotiations with/regulation of new, private operators.

Most importantly, initiated in 2000 and continuing into 2001, is the development of a 'least cost plan,' essentially a significant improvement to the GOM's energy strategic plan, to strengthen Moldova's national energy policy from a broad, inclusive, yet detailed perspective.

If requested energy sector funding were not approved, it is very unlikely that further restructuring and privatization will take place. The World Bank's \$30m Energy II Project, which USAID supports with technical assistance to MoldElectrica, would be severely delayed, if not canceled entirely. As attested by the ANRE and Union Fenosa, USAID's legal and regulatory support was critical in negotiating and closing the successful privatization. Given recent turnovers at ANRE and the GOM, ANRE is not ready to face a new strategic investor without continued USAID legal/regulatory support.

Possible Adjustments to Plans:

USAID approved a new five-year strategic plan for Moldova effective in 2001. The plan has reduced and restructured the Mission's SOs. This SO will become part of a new SO 2 for Moldova. New initiatives in this sector will likely include working with/training municipal authorities on the heat sector, especially in attracting investment capital and increasing heating sub-sector efficiency, which is vitally important to privatization/restructuring of the GENCOS as well as instituting an energy efficiency culture and knowledge base. USAID will continue to provide humanitarian assistance by further weatherizing the neediest institutions (e.g. hospitals, schools, and orphanages); however, this activity is being transferred to the new SO 4 "Social Safety Net Reaches Vulnerable Groups." A new activity, the development of which was begun under this SO, to subsidize electricity payments for low-income households and to develop a means-tested eligibility system for all social assistance programs to replace the current category-based system, will also be transferred to SO 4.

Other Donor Programs:

USAID coordinates most closely with the World Bank and to a lesser extent with the European Bank for Reconstruction and Development. The World Bank, via its planned \$30-\$32 million Energy II Loan, intends to concentrate on MoldElectrica. The focus is on major technical equipment upgrades for central system operation, dispatch, and improved metering and monitoring. USAID assistance is designed to complement World Bank assistance to provide a comprehensive assistance package to MoldElectrica to transition to greater economic sustainability and potentially, privatization.

Major Contractors and Grantees:

USAID's energy sector activities are currently implemented by Pierce Atwood Attorneys, CMS Energy, Deloitte Touche Tohmatsu, and Advanced Engineering Associates International. Alliance to Save Energy will train municipal authorities on heating efficiency and, in all likelihood, a new contractor will be engaged to tackle the broader, systemic national heating problems.

Performance Data Table

Objective Name: A More Economically Sustainable and Environmentally Sound Electric Industry and Energy Sector			
Objective ID: 117-015-01			
Approved: March 1998		Country/Organization: USAID Moldova	
Result Name: A more economically sustainable and environmentally sound electric industry and energy sector.			
Indicator: GoM meets World bank and IMF Energy Sector conditions			
Unit of Measure: Yes/No	Year	Planned	Actual
Source: World Bank, IMF	1998	No	No
Indicator/Description: World Bank Structural Adjustment Credit (SAC) and Transmission Loan, and IMF Extended Fund Facility Approved.	1999	No	Partial
	2000	Yes	Partial
Comments: Energy is one part of SAC Conditionality.			

Performance Data Table

Objective Name: A More Economically Sustainable and Environmentally Sound Electric Industry and Energy Sector			
Objective ID: 117-015-01			
Approved: 06/01/1996		Country/Organization: USAID Moldova	
Result Name: IR 1.5.1 Fully Functional National Agency for Energy Regulation (ANRE)			
Indicator: Market-based wholesale/retail tariffs introduced			
Unit of Measure: Yes/No	Year	Planned	Actual
Source: ANRE, World Bank	1998	No	Yes
Indicator/Description: wholesale/retail tariffs = operating costs + profit margin	1999	No	Yes
	2000	Yes	Partial
Comments: Much payment is by barter and offset.			

Performance Data Table

Objective Name: A More Economically Sustainable and Environmentally Sound Electric Industry and Energy Sector			
Objective ID: 117-015-01			
Approved: March 1998		Country/Organization: USAID Moldova	
Result Name: Market Operation Documents approved and contracts in place.			
Indicator: Market Operation Documents approved and contracts in place.			
Unit of Measure: Number of contracts	Year	Planned	Actual
Source: ANRE, MoldTransElectro	1998	0	0
Indicator/Description: Market Operation Documents approved and contracts in place.	1999	5	11
	2000	10	40
Comments: only contracts between discos, generators, ME and outside suppliers			

Performance Data Table

Objective Name: A More Economically Sustainable and Environmentally Sound Electric Industry and Energy Sector			
Objective ID: 117-015-01			
Approved: March 1998		Country/Organization: USAID Moldova	
Result Name: Privatization of individual electric industry participants			
Indicator: Number of electric industry companies privatized and profitable.			
Unit of Measure: Number of companies	Year	Planned	Actual
Source: ANRE, Companies	1998	0	0
Indicator/Description: Number of companies privatized and profitable.	1999	3	0*
	2000	5	3
Comments: * 3 privatized in February 2000			

Performance Data Table

Objective Name: A More Economically Sustainable and Environmentally Sound Electric Industry and Energy Sector			
Objective ID: 117-015-01			
Approved: March 1998		Country/Organization: USAID Moldova	
Result Name:			
Indicator: Reduction in budgetary subsidies for power and energy resources			
Unit of Measure: \$ millions	Year	Planned	Actual
Source: GOM Budget, MOF	1996		16.4
Indicator/Description: central budget line items for power sector	1999	37.5	21
	2000	30	8.4
Comments:			

SO Text for SO: 117-021 Increased, better informed citizens participation in political and economic decision-making

Country/Organization: USAID Moldova
Objective ID: 117-021
Objective Name: Increased, better informed citizens participation in political and economic decision-making

Self Assessment: Meeting Expectations

Primary Links to Agency Strategic Framework: **(Please Assign Percentages, Total Equals 100):**

0% 1.1 Critical private markets expanded and strengthened
0% 1.2 More rapid and enhanced agricultural development and food security encouraged
0% 1.3 Access to economic opportunity for the rural and urban poor expanded and made more equitable
0% 2.1 Rule of law and respect for human rights of women as well as men strengthened
33% 2.2 Credible and competitive political processes encouraged
34% 2.3 The development of politically active civil society promoted
33% 2.4 More transparent and accountable government institutions encouraged
0% 3.1 Access to quality basic education for under-served populations, especially for girls and women, expanded
0% 3.2 The contribution of host-country institutions of higher education to sustainable development increased
0% 4.1 Unintended and mistimed pregnancies reduced
0% 4.2 Infant and child health and nutrition improved and infant and child mortality reduced
0% 4.3 Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and childbirth reduced
0% 4.4 HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced
0% 4.5 The threat of infectious diseases of major public health importance reduced
0% 5.1 Threat of global climate change reduced
0% 5.2 Biological diversity conserved
0% 5.3 Sustainable urbanization including pollution management promoted
0% 5.4 Use of environmentally sound energy services increased
0% 5.5 Sustainable management of natural resources increased
0% 6.1 Urgent needs in times of crisis met
0% 6.2 Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established

Link to U.S. National Interests: Democracy

Primary Link to MPP Goals: Democracy and Human Rights

Secondary Link to MPP Goals (optional): No Secondary Linkage

(Page limitations for narrative begin here):

Summary of the SO:

Moldova does not have a history of active involvement of people at the grass roots level in political and economic decision-making. Political power is centralized at the national level, and there is little political will among politicians to address citizen concern at the local level. Moreover, citizens do not have the information or skills necessary to interact effectively with government institutions and advocate in their own interest. USAID's SO 2.1 aims at promoting

increased, better informed citizen's participation in political and economic decision-making. The principle intermediate results (IRs) included under this SO are: IR 2.1.1 Increased confidence in the political and legal processes, and IR 2.1.2 More unbiased information available to citizens. It is expected that the capacity of civil society organizations to represent citizens and protect their rights will be developed and in return, the result achieved under this SO will contribute to promote citizen's participation in the process of economic and political decision making and ensure their support to market and democratic reforms. The beneficiaries of this SO include civic organizations, NGOs, political think tanks, local government officials, and citizens at large who, as a result of this program, will be able to live in a democratic country and have an influence on their governing bodies and elected officials. The SO is meeting expectations because the targets are being met as planned.

Key Results:

Activities under this SO are performing well and meeting the targets established in the strategic plan.

Number and percentage of NGOs that are "active" (SO Level Indicator)

At the time USAID started its democratic governance activities in Moldova there were about 300 non-governmental organizations and 35 political parties. In 1995, a USAID-funded project together with the Soros Foundation and with the financial support of EU-TACIS set up the "Contact NGO Assistance Center", which provides assistance and expertise to the domestic NGOs. The number of NGOs increased from 670 in 1998 to 1,160 in 1999. In August 2000, there were 1526 NGO's registered with the Ministry of Justice and 360 local NGO's registered with judet (county) councils. One of the examples of USAID's contribution to the creation of NGOs is the Social Investment Fund activity (co-financed by USAID and World Bank). In the course of the Pilot Project 10 "users associations" became legally registered NGOs and are managed as such to help ensure long-term sustainability.

During 1999, a USAID-funded activity worked with about 10 NGOs in observing elections, conducting civic and voter education programs training youth wings of political parties, as well as in public administration and mass media areas. In the year 2000, USAID funded numerous training sessions for domestic observers and poll workers in all counties, and continued its Electoral School for youth branches of political parties.

Since the Public Benefit Certification Commission was set up in accordance with the Law on Public Associations, public service has become a desired status for NGOs seeking partial or total tax-exempt status and preferential treatment in leasing public facilities and buildings. Currently, 105 non-governmental organizations have been issued public benefit certificates. In 2000, a total of 130 NGOs held public benefit certificates; USAID funded training on the procedure for obtaining Public Benefit Status for 70 NGOs.

Increased confidence in the political and legal processes (IR 2.1.1)

At present, opinion surveys suggest that citizen mistrust and/or apathy towards local government is endemic. Most local government officials continue to look to Chisinau for both directions and

funding, and feel powerless to initiate actions that could ameliorate a wide range of problems that negatively impact the quality of life of their constituents due to waste or lack of resources. Intergovernmental transfers to local government are insufficient and local revenue generation capacity is minimal. There are many instances in which corruption at all levels of government in Moldova reduces the potential for utilization of those resources that do exist. It is likely that more efficient allocation of resources can be achieved by assisting local governments to leverage those resources in a manner that effectively engages citizens and community organizations and/or NGOs in the management of local issues.

Under such a political and economic environment, the role of political parties has become increasingly important. Political parties have been reduced slightly - by approximately 18% from 1995 to 1999. In 1999, the number of political parties increased to 60. However, as a result of legislative change governing the membership levels, political parties were obliged to re-register, and this reduced their number to 30 at the end of 2000. Although a consolidation and consensus building among political parties is accruing at a slower rate than desired, the trend is in the correct direction. A continuation of this trend will strengthen citizen participation by focusing their attention on several viable and (hopefully) sustainable parties within the country. This will provide a stronger base from which a few parties may assert change or engage in constructive political debate among equally strong political contenders.

More unbiased information available to citizens (IR 2.1.2)

Empowering citizens, whether through greater access to objective information (including information on individual rights) or through participation in NGOs/community groups is essential for the development of a democratic society as well as to the success of free-market reform. There is a link between the emergence of democratic institutions on the one hand and sustainable economic development on the other. Ultimately, it is citizens who have to support the legal, regulatory and policy framework that will secure the rights of the individuals as well as ensure the growth of the economy. Without having access to objective information concerning the economic and political situation, and without being informed about basic rights and responsibilities in a democratic society, citizens are not likely to participate in civic affairs or will do so without any activity involvement. As a positive development, citizens now have access to a broader range of information, with a growing number of 85 private TV studios and 25 broadcasting radio stations, 27 cable channels, as well as 460 newspaper titles (including newspapers and sporadic publications). There are 250 TV sets per 1000 inhabitants and 550 radio receivers per 1000 inhabitants. While USAID has not done much in this area due to limited funds, these indications of the growing public interest in the media will help to form our interventions in this IR as more funding becomes available.

Performance and Prospects:

This is a small but important program which has continued to meet all performance targets at the SO level. In 2000, USAID has directly helped produce valuable revisions of laws and implement democratic election procedures. Activities under the Rule of Law program focused on advocacy on behalf of citizens, human rights, and legal association building. USAID support to the Eurasia Foundation contributed to develop and strengthen NGOs, which have become critical elements of civil society. It also helped Moldovan citizens and NGOs to promote a

market economy and democratic society. Particularly, USAID's local government reform activities assisted NGOs and reform-oriented officials to restructure local government institutions and increase participation of citizens, community-based organizations and NGOs in economic and political decision-making processes.

Should additional funding not be forthcoming, decentralization to the local government level would most likely begin to unravel, thereby weakening local governments. This would mean reduced or poorer quality municipal services which could help to erode public support for democratic reforms. Such prospects are even more likely under the new Communist government.

Possible Adjustments to Plans:

USAID approved a new five-year strategic plan for Moldova effective in 2001. The plan has reduced and restructured the Mission's SOs. This SO will become the new SO 3 for Moldova. Although USAID does not yet know the impact that the new Communist government will have on its programs, some adjustments may become necessary in this sector to work most effectively with the new administration in Moldova.

Other Donor Programs:

A number of donors are concerned with local government reform, including UNDP, EU-TACIS, the World Bank and the Soros Foundation. USAID's program aims at empowering local government at the level through the effective transfer of power and responsibility to local government. Other donors, including UNDP, EU-TACIS, the Swedish International Development Agency (SIDA) and the Soros Foundation, focus on improving the central government efficiency through decentralization at the judet (county) level.

Major Contractors and Grantees:

Urban Institute is the contractor for USAID's local government reform activities. IFES, ABA/CELLI and Eurasia Foundation also contribute to achievements under this SO in the areas of NGO support, public empowerment, and democratic processes.

Performance Data Table

Objective Name: Increased, better-informed participation in political and economic decision-making			
Objective ID: 117-021-01			
Approved: June 1996		Country/Organization: USAID Moldova	
Result Name: Increased, better-informed participation in political and economic decision-making			
Indicator: Number of NGOs			
Unit of Measure: total number of registered NGOs	Year	Planned	Actual
Source: Ministry of Justice records; IFES for 2000 data	1998 (B)	NA	670
Indicator/Description: Number of NGOs registered	1999	750	1160
	2000	1,000	1,886*
Comments: *In 2000, 1,526 NGOs were registered by the Ministry of Justice and 360 were registered by the Judet Councils.			

Performance Data Table

Objective Name: Increased, better-informed participation in political and economic decision-making			
Objective ID: 117-021-01			
Approved: June 1996		Country/Organization: USAID Moldova	
Result Name:			
Indicator: NGOs that are “active”			
Unit of Measure: percentage of registered NGOs	Year	Planned	Actual
Source: “Contact”, IFES, “Viitorul”	1998 (B)	NA	30
Indicator/Description: Percentage of NGOs that are working on specific issues and not registered in name only. (Although this percentage is expected to stay constant, the number active will increase as the total number grows)	1999	30	30
	2000	30	30
Comments: Reported NGOs considered to be active by IFES are 30% of those that are registered.			

Performance Data Table

Objective Name: Increased, better-informed participation in political and economic decision-making			
Objective ID: 177-021-01			
Approved: June 1996		Country/Organization: USAID Moldova	
Result Name: I.R. 2.1.1 Increased confidence in the political and legal process			
Indicator: Voter turnout			
Unit of Measure: Percentage of population	Year	Planned	Actual
Source: IFES	1998 (B)	NA	61
Indicator/Description: Percentage of registered voters who vote on election day	1999	(local) 65	62.7
	2000	no elections	no elections
Comments:			

Performance Data Table

Objective Name: Increased, better-informed participation in political and economic decision-making			
Objective ID: 117-021-01			
Approved: June 1996		Country/Organization: USAID Moldova	
Result Name: I.R. 2.1.2 More unbiased information available to citizens			
Indicator: Stage of development of Law on citizens' access to information			
Unit of Measure: status of Law	Year	Planned	Actual
Source: ABA/CEELI, Center for Independent Journalism	1998 (B)	NA	Drafted
Indicator/Description: Law on citizens' access to information drafted, adopted and implemented	1999	Adopted	Adopted*
	2000	Final adoption**	Published
Comments: *Adopted in the first reading. Before implementation, the Law needs to pass a second reading in the Parliament, and to be promulgated by the president. ** Adopted in the second reading on May 11,2000. It was published and made law on July 20, 2000.			

R4 Part III: Resource Request

Moldova Resource Request

SO One: Efforts to consolidate financial sector reform is budgeted at 80% of the strategic plan estimated requirements. It is anticipated that the Government of Moldova (GOM) will meet IMF budget deficit targets. Increased tax revenues will enable the GOM to pay salary and pensions and absorb arrears in these two categories. The budget will be restructured to consider critical needs for education, health care and social assistance while also taking into account economic development priorities such as investment in key sectors and job creation. However, reduced results may be anticipated due to the funding shortfall.

SO Two: Land market development is a new activity under study for commencement in FY 2002. This assistance would increase land market transactions through a simplified enterprise land sales program, establish a viable self regulatory organization that provides services and facilitates land market development, and support a mortgage based lending program for rural land through commercial banks and possibly the saving and credit associations.

Assistance to the small and medium enterprise sector through the BIZPRO activity will be reduced from strategic planning levels by 78% in this resource request, impacting this program significantly. This activity will provide assistance to SMEs by helping improve the policy environment, improving access to market business skills and information, increasing the capacity of business service providers, and increasing access to credit.

A new initiative in district heating, beginning in FY 2001, is intended to increase commercialization of Chisinau's and other municipalities' heating and hot water operations which are currently heavily subsidized and unprofitable. This will be accomplished via hands-on training and exchanges with other district heating enterprises in the CEE/NIS region, indoctrination in energy efficiency practices will include better metering, and will include several cost-effective automated control pilot projects. Increased public awareness among municipal energy authorities, housing association management and end-consumers will also be emphasized. This was budgeted for a total of \$4,500,000 in the strategy and is reduced to \$2,200,000 in this resource request (49% of the planned funding for this initiative).

This request proposes \$500,000 for the rule of law program in FY 2003, which was not contemplated in the strategy. This additional funding is requested because ABA/CEELI is expected to continue its work in promoting the fundamental values of democratic governance and citizen participation. Program activities will focus in the following three areas: advocacy on behalf of human rights, legal association building, and institutional capacity building. This assistance will help Moldovan partners develop locally oriented legal advocacy programs promote human rights, fight corruption, and assist domestic violence victims. It will also support the development of professional legal associations such as judge's and lawyer's associations and develop a pilot judicial development project in a local government jurisdiction to support the development of the judiciary. The anticipated project results are increased independence, transparency, efficiency, and impartiality of the participating courts.

According to directives from the Bureau, Eurasia Foundation funding is budgeted at \$1,000,000 per year for FY 2002 and 2003. This request also proposes \$600,000 for a new initiative in FY 2003, not contemplated in the strategy. This is intended for PVO and NGO development and will include training and technical assistance, community outreach and mobilization, advocacy, information exchange, grants and partnership building. USAID intends to compliment its current activities in democracy and governance to achieve the following results: a much-strengthened and developed NGO sector, expanded and higher quality services for vulnerable populations throughout the country, and empowered local communities and citizens who are able to participate in decision-making and address their needs.

SO Four: The recent election victory of the Communist Party resulting in a parliamentary majority and a Communist president will likely lead to a greater emphasis on social programs to alleviate the hardships imposed by the economic transition of the last 10 years. Although funding for specific activities for social transition was not identified in the strategy for FY 2003, this request includes \$1,500,000 (for FY 2002 and 2003) for humanitarian assistance support, \$2,250,000 for energy efficiency, and \$950,000 for health partnership and family planning assistance.

Based upon a recent pipeline analysis for Moldova conducted in preparation of this resource request, we believe the proposed FY 2002 and FY 2003 budgets are consistent with the ADS 602 guidance.

ENV Sub-Directive Amounts for FY 2001 Request

COUNTRY:	Moldova						
S.O. # , Title	Total	Global climate change	Biodiversity	Environmentally sound energy	Urban and pollution prevention	Natural resource management	
SO 1: Fiscal and Financial Reforms Support Market-led Growth	0						
SO 2: Private Enterprise Growth Creates Jobs and Generates Income	4,804,840			4,804,840			
SO 3: Democratic Institutions More Effective, Responsive and Accountable	0						
SO 4: Social Safety Net Reaches Vulnerable Groups	4,198,082			4,198,082			
TOTAL PROGRAM	9,002,922	0	0	9,002,922	0	0	

[List of Objective ID numbers](#)

ENV Sub-Directive Amounts for FY 2002 Request

COUNTRY:	Moldova					
S.O. # , Title	Total	Global climate change	Biodiversity	Environmentally sound energy	Urban and pollution prevention	Natural resource management
SO 1: Fiscal and Financial Reforms Support Market-led Growth	0					
SO 2: Private Enterprise Growth Creates Jobs and Generates Income	4,400,000			4,400,000		
SO 3: Democratic Institutions More Effective, Responsive and Accountable	0					
SO 4: Social Safety Net Reaches Vulnerable Groups	2,000,000			2,000,000		
TOTAL PROGRAM	6,400,000	0	0	6,400,000	0	0

[List of Objective ID numbers](#)

ENV Sub-Directive Amounts for FY 2003 Request

COUNTRY:	Moldova					
S.O. # , Title	Total	Global climate change	Biodiversity	Environmentally sound energy	Urban and pollution prevention	Natural resource management
SO 1: Fiscal and Financial Reforms Support Market-led Growth	0					
SO 2: Private Enterprise Growth Creates Jobs and Generates Income	4,200,000			4,200,000		
SO 3: Democratic Institutions More Effective, Responsive and Accountable	0					
SO 4: Social Safety Net Reaches Vulnerable Groups	1,250,000			1,250,000		
TOTAL PROGRAM	5,450,000	0	0	5,450,000	0	0

[List of Objective ID numbers](#)

CSD Sub-Directive Amounts for FY 2001 Request

COUNTRY:	Moldova								
S.O. # , Title	Total	Child Survival/Maternal Health			Vulnerable Children		Other Infectious Diseases*		
		Primary causes	Polio	Micronutrients	DCOF	HIV/AIDS	TB	Malaria	"Other"
SO 1: Fiscal and Financial Reforms Support Market-led Growth									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 2: Private Enterprise Growth Creates Jobs and Generates Income									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 3: Democratic Institutions More Effective, Responsive and Accountable									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 4: Social Safety Net Reaches Vulnerable Groups									
CSD	550,000	300,000			250,000				
Other	0								
	550,000	300,000	0	0	250,000	0	0	0	0
Total CSD	550,000	300,000	0		250,000	0	0	0	0
Total Other	0	0	0				0	0	0
TOTAL PROGRAM	550,000	300,000	0	0	250,000	0	0	0	0

Note: All funding for Malaria should now come from Infectious Diseases

CSD Sub-Directive Amounts for FY 2002 Request

COUNTRY:	Moldova								
S.O. # , Title	Total	Child Survival/Maternal Health			Vulnerable Children		Other Infectious Diseases*		
		Primary causes	Polio	Micronutrients	DCOF	HIV/AIDS	TB	Malaria	"Other"
SO 1: Fiscal and Financial Reforms Support Market-led Growth									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 2: Private Enterprise Growth Creates Jobs and Generates Income									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 3: Democratic Institutions More Effective, Responsive and Accountable									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 4: Social Safety Net Reaches Vulnerable Groups									
CSD	675,000	300,000			375,000				
Other	0								
	675,000	300,000	0		375,000	0	0	0	0
Total CSD	675,000	300,000	0		375,000	0	0	0	0
Total Other	0	0	0				0	0	0
TOTAL PROGRAM	675,000	300,000	0		375,000	0	0	0	0

Note: All funding for Malaria should now come from Infectious Diseases

CSD Sub-Directive Amounts for FY 2003 Request

COUNTRY:		Moldova							
S.O. # , Title	Total	Child Survival/Maternal Health			Vulnerable Children		Other Infectious Diseases*		
		Primary causes	Polio	Micronutrients	DCOF	HIV/AIDS	TB	Malaria	"Other"
SO 1: Fiscal and Financial Reforms Support Market-led Growth									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 2: Private Enterprise Growth Creates Jobs and Generates Income									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 3: Democratic Institutions More Effective, Responsive and Accountable									
CSD	0								
Other	0								
	0	0	0				0	0	0
SO 4: Social Safety Net Reaches Vulnerable Groups									
CSD	750,000	500,000			250,000				
Other	0								
	750,000	500,000	0		250,000	0	0	0	0
Total CSD	750,000	500,000	0		250,000	0	0	0	0
Total Other	0	0	0				0	0	0
TOTAL PROGRAM	750,000	500,000	0		250,000	0	0	0	0

Note: All funding for Malaria should now come from Infectious Diseases

FY 2001 Budget Request by Program/Country

Fiscal Year: 2001 Program/Country: Moldova
 Approp: FSA
 Scenario:

FY 2001 Request															
S.O. # , Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2001
SO 1: Fiscal and Financial Reforms Support Market-led Growth															
Bilateral	3,377,670	8,483,341		8,483,341				0						8,467,675	3,393,336
Field Spt		0												0	0
	3,377,670	8,483,341	0	8,483,341	0	0	0	0	0	0		0	0	8,467,675	3,393,336
SO 2: Private Enterprise Growth Creates Jobs and Generates Income															
Bilateral	12,869,287	21,958,617	14,765,513	2,388,264								4,804,840		26,044,457	8,783,447
Field Spt		0												0	0
	12,869,287	21,958,617	14,765,513	2,388,264	0	0	0	0	0	0		4,804,840	0	26,044,457	8,783,447
SO 3: Democratic Institutions More Effective, Responsive and Accountable															
Bilateral	1,267,137	3,360,843		400,000		350,000							3,010,843	2,443,432	2,184,548
Field Spt		0												0	0
	1,267,137	3,360,843	0	400,000	0	350,000	0	0	0	0		0	3,010,843	2,443,432	2,184,548
SO 4: Social Safety Net Reaches Vulnerable Groups															
Bilateral	1,450,394	7,337,512				2,339,430		300,000			250,000	4,198,082	250,000	8,054,155	733,751
Field Spt		0												0	0
	1,450,394	7,337,512	0	0	0	2,339,430	0	300,000	0	0	250,000	4,198,082	250,000	8,054,155	733,751
Total Bilateral	18,964,488	41,140,313	14,765,513	11,271,605	0	2,689,430	0	300,000	0	0		9,002,922	3,260,843	45,009,719	15,095,082
Total Field Support	0	0	0	0	0	0	0	0	0	0		0	0	0	0
TOTAL PROGRAM	18,964,488	41,140,313	14,765,513	11,271,605	0	2,689,430	0	300,000	0	0	250,000	9,002,922	3,260,843	45,009,719	15,095,082

FY 2001 Request Agency Goal Totals

Econ Growth	26,037,118
Democracy	3,260,843
HCD	2,689,430
PHN	550,000
Environment	9,002,922
GCC (from all Goals)	0

FY 2001 Account Distribution (DA only)

DA Program Total	40,590,313
CSD Program Total	550,000
TOTAL	41,140,313

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account.

FY 2002 Budget Request by Program/Country

Fiscal Year: 2002 Program/Country: Moldova
 Approp: FSA
 Scenario:

FY 2002 Request															
S.O. # , Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2002
SO 1: Fiscal and Financial Reforms Support Market-led Growth															
Bilateral	3,393,336	6,200,000		6,200,000				0						7,733,336	1,860,000
Field Spt		0												0	0
	3,393,336	6,200,000	0	6,200,000	0	0	0	0	0	0		0	0	7,733,336	1,860,000
SO 2: Private Enterprise Growth Creates Jobs and Generates Income															
Bilateral	8,783,447	16,900,000	11,600,000	1,800,000								3,500,000		15,543,447	10,140,000
Field Spt		0												0	0
	8,783,447	16,900,000	11,600,000	1,800,000	0	0	0	0	0	0		3,500,000	0	15,543,447	10,140,000
SO 3: Democratic Institutions More Effective, Responsive and Accountable															
Bilateral	2,184,548	3,500,000		500,000		350,000							3,150,000	3,934,548	1,750,000
Field Spt		0												0	0
	2,184,548	3,500,000	0	500,000	0	350,000	0	0	0	0		0	3,150,000	3,934,548	1,750,000
SO 4: Social Safety Net Reaches Vulnerable Groups															
Bilateral	733,751	4,500,000				1,400,000		325,000			325,000	2,100,000	350,000	3,433,751	1,800,000
Field Spt		0												0	0
	733,751	4,500,000	0	0	0	1,400,000	0	325,000	0	0	325,000	2,100,000	350,000	3,433,751	1,800,000
Total Bilateral	15,095,082	31,100,000	11,600,000	8,500,000	0	1,750,000	0	325,000	0	0		5,600,000	3,500,000	30,645,082	15,550,000
Total Field Support	0	0	0	0	0	0	0	0	0	0		0	0	0	0
TOTAL PROGRAM	15,095,082	31,100,000	11,600,000	8,500,000	0	1,750,000	0	325,000	0	0	325,000	5,600,000	3,500,000	30,645,082	15,550,000

FY 2002 Request Agency Goal Totals

Econ Growth	20,100,000
Democracy	3,500,000
HCD	1,750,000
PHN	650,000
Environment	5,600,000
GCC (from all Goals)	0

FY 2002 Account Distribution (DA only)

DA Program Total	30,450,000
CSD Program Total	650,000
TOTAL	31,100,000

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)
 Prepare one set of tables for each appropriation Account
 Tables for DA and CSD may be combined on one table.
 For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account.

FY 2003 Budget Request by Program/Country

Fiscal Year: 2003 Program/Country: Moldova
 Approp: FSA
 Scenario:

FY 2003 Request															
S.O. # , Title	Starting Pipeline	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival & Maternal Health (*)	Other Infectious Diseases (*)	HIV/AIDS (*)	Vulnerable Children (*)	Environ	D/G	Est. S.O. Expenditures	Est. S.O. Pipeline End of 2003
SO 1: Fiscal and Financial Reforms Support Market-led Growth															
Bilateral	1,860,000	4,000,000		4,000,000				0						4,260,000	1,600,000
Field Spt		0												0	0
	1,860,000	4,000,000	0	4,000,000	0	0	0	0	0	0		0	0	4,260,000	1,600,000
SO 2: Private Enterprise Growth Creates Jobs and Generates Income															
Bilateral	10,140,000	17,400,000	12,100,000	1,100,000								4,200,000		17,970,000	9,570,000
Field Spt		0												0	0
	10,140,000	17,400,000	12,100,000	1,100,000	0	0	0	0	0	0		4,200,000	0	17,970,000	9,570,000
SO 3: Democratic Institutions More Effective, Responsive and Accountable															
Bilateral	1,750,000	4,400,000		400,000		350,000							4,050,000	4,170,000	1,980,000
Field Spt		0												0	0
	1,750,000	4,400,000	0	400,000	0	350,000	0	0	0	0		0	4,050,000	4,170,000	1,980,000
SO 4: Social Safety Net Reaches Vulnerable Groups															
Bilateral	1,800,000	5,300,000				2,800,000		500,000			375,000	1,250,000	375,000	4,980,000	2,120,000
Field Spt		0												0	0
	1,800,000	5,300,000	0	0	0	2,800,000	0	500,000	0	0	375,000	1,250,000	375,000	4,980,000	2,120,000
Total Bilateral	15,550,000	31,100,000	12,100,000	5,500,000	0	3,150,000	0	500,000	0	0		5,450,000	4,425,000	31,380,000	15,270,000
Total Field Support	0	0	0	0	0	0	0	0	0	0		0	0	0	0
TOTAL PROGRAM	15,550,000	31,100,000	12,100,000	5,500,000	0	3,150,000	0	500,000	0	0	375,000	5,450,000	4,425,000	31,380,000	15,270,000

FY 2003 Request Agency Goal Totals

Econ Growth	17,600,000
Democracy	4,425,000
HCD	3,150,000
PHN	875,000
Environment	5,450,000
GCC (from all Goals)	0

FY 2003 Account Distribution (DA only)

DA Program Total	30,225,000
CSD Program Total	875,000
TOTAL	31,100,000

Prepare one set of tables for each Fiscal Year (FY2001, FY2002, FY2003)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account.

Washington and Overseas Workforce Tables

Org _____	Moldova															
End of year On-Board								Total	Org.	Fin.	Admin.	Con-		All	Total	Total
FY 2001 Estimate	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2	SO/SpO	Mgmt.	Mgmt	Mgmt	tract	Legal	Other	Mgmt.	Staff
OE Funded: 1/																
U.S. Direct Hire								0						1	1	1
Other U.S. Citizens								0							0	0
FSN/TCN Direct Hire								0							0	0
Other FSN/TCN								0						7	7	7
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	8	8	8
Program Funded 1/																
U.S. Citizens	4							4							0	4
FSNs/TCNs	8							8							0	8
Subtotal	12	0	0	0	0	0	0	12	0	0	0	0	0	0	0	12
Total Direct Workforce	12	0	0	0	0	0	0	12	0	0	0	0	0	8	8	20
TAACS								0							0	0
Fellows								0							0	0
NEPs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL WORKFORCE	12	0	0	0	0	0	0	12	0	0	0	0	0	8	8	20

Washington and Overseas Workforce Tables

Org _____ End of year On-Board								Total SO/SpO	Org. Mgmt.	Fin. Mgmt.	Admin. Mgmt.	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
FY 2002 Target	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2									
OE Funded: 1/																
U.S. Direct Hire								0							1	1
Other U.S. Citizens								0								0
FSN/TCN Direct Hire								0								0
Other FSN/TCN								0							7	7
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8	8
Program Funded 1/																
U.S. Citizens								4							0	4
FSNs/TCNs								8							0	8
Subtotal	12	0	0	0	0	0	0	12	0	0	0	0	0	0	0	12
Total Direct Workforce	12	0	0	0	0	0	0	12	0	0	0	0	0	0	8	20
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL WORKFORCE	12	0	0	0	0	0	0	12	0	0	0	0	0	0	8	20

1/ Excludes TAACS, Fellows, and NEPs

Washington and Overseas Workforce Tables

Org End of year On-Board								Total SO/SpO Staff	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
FY 2003 Target	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2									
OE Funded: 1/																
U.S. Direct Hire								0							1	1
Other U.S. Citizens								0							0	0
FSN/TCN Direct Hire								0							0	0
Other FSN/TCN								0							7	7
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	8	8	8
Program Funded 1/																
U.S. Citizens	4							4							0	4
FSNs/TCNs	8							8							0	8
Subtotal	12	0	0	0	0	0	0	12	0	0	0	0	0	0	0	12
Total Direct Workforce	12	0	0	0	0	0	0	12	0	0	0	0	0	8	8	20
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL WORKFORCE	12	0	0	0	0	0	0	12	0	0	0	0	0	8	8	20

Washington and Overseas Workforce Tables

Org _____ End of year On-Board								Total SO/SpO Staff	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
FY 2003 Request	SO 1	SO 2	SO 3	SO 4	SO 5	SpO1	SpO2									
OE Funded: 1/																
U.S. Direct Hire								0							1	1
Other U.S. Citizens								0							0	0
FSN/TCN Direct Hire								0							0	0
Other FSN/TCN								0							7	7
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8	8
Program Funded 1/																
U.S. Citizens								4							0	4
FSNs/TCNs								8							0	8
Subtotal	12	0	0	0	0	0	0	12	0	0	0	0	0	0	0	12
Total Direct Workforce	12	0	0	0	0	0	0	12	0	0	0	0	0	8	8	20
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL WORKFORCE	12	0	0	0	0	0	0	12	0	0	0	0	0	8	8	20

USDH Staffing Requirements by Backstop, FY 2001 - FY 2004

Mission:

Moldova

Occupational Backstop (BS)	Number of USDH Employees in Backstop in:			
	FY 2001	FY 2002	FY 2003	FY 2004

Senior Management				
SMG - 01				
Program Management				
Program Mgt - 02	1	1	1	1
Project Dvpm Officer - 94				
Support Management				
EXO - 03				
Controller - 04				
Legal - 85				
Commodity Mgt. - 92				
Contract Mgt. - 93				
Sector Management				
Agriculture - 10 & 14				
Economics - 11				
Democracy - 12				
Food for Peace - 15				
Private Enterprise - 21				
Engineering - 25				
Environment - 40 & 75				
Health/Pop. - 50				
Education - 60				

Total	1	1	1	1
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GDOs: If you have a position that is currently designated a BS-12 GDO, list that position under the occupational backstop that most closely reflects the skills needed for the position.
RUDOs: do not forget to include those who were in UE-funded RUDO positions.
 remaining **IDIs:** list under the occupational Backstop for the work they do.

Please e-mail this worksheet in Excel to: Maribeth Zankowski@HR.PPIM@aidw and to M. Cary Kauffman@HR.PPIM@aidw as well as include it with your R4 submission.

Cost of Controller Operations

Org. Title: Moldova													
Org. No: 117.0													
OC		FY 2001 Estimate			FY 2002 Target			FY 2003 Target			FY 2003 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH			0.0			0.0			0.0			0.0
	Subtotal OC 11.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH			0.0			0.0			0.0			0.0
	Subtotal OC 11.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH			0.0			0.0			0.0			0.0
11.5	FNDH			0.0			0.0			0.0			0.0
	Subtotal OC 11.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries			0.0			0.0			0.0			0.0
11.8	FN PSC Salaries			0.0			0.0			0.0			0.0
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0.0			0.0			0.0			0.0
	Subtotal OC 11.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances			0.0			0.0			0.0			0.0
12.1	Cost of Living Allowances			0.0			0.0			0.0			0.0
12.1	Home Service Transfer Allowances			0.0			0.0			0.0			0.0
12.1	Quarters Allowances			0.0			0.0			0.0			0.0
12.1	Other Misc. USDH Benefits			0.0			0.0			0.0			0.0
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	* Payments to FSN Voluntary Separation Fund - FNDH			0.0			0.0			0.0			0.0
12.1	Other FNDH Benefits			0.0			0.0			0.0			0.0
12.1	US PSC Benefits			0.0			0.0			0.0			0.0
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	* Payments to FSN Voluntary Separation Fund - FN PSC			0.0			0.0			0.0			0.0
12.1	Other FN PSC Benefits			0.0			0.0			0.0			0.0
12.1	IPA/Detail-In/PASA/RSSA Benefits			0.0			0.0			0.0			0.0
	Subtotal OC 12.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13.0	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH			0.0			0.0			0.0			0.0
13.0	Other Benefits for Former Personnel - FNDH			0.0			0.0			0.0			0.0

Cost of Controller Operations

Org. Title: Moldova													
Org. No: 117.0													
OC		FY 2001 Estimate			FY 2002 Target			FY 2003 Target			FY 2003 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs			0.0			0.0			0.0			0.0
13.0	Other Benefits for Former Personnel - FN PSCs			0.0			0.0			0.0			0.0
	Subtotal OC 13.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21.0	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Training Travel			0.0			0.0			0.0			0.0
21.0	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Post Assignment Travel - to field			0.0			0.0			0.0			0.0
21.0	Assignment to Washington Travel			0.0			0.0			0.0			0.0
21.0	Home Leave Travel			0.0			0.0			0.0			0.0
21.0	R & R Travel			0.0			0.0			0.0			0.0
21.0	Education Travel			0.0			0.0			0.0			0.0
21.0	Evacuation Travel			0.0			0.0			0.0			0.0
21.0	Retirement Travel			0.0			0.0			0.0			0.0
21.0	Pre-Employment Invitational Travel			0.0			0.0			0.0			0.0
21.0	Other Mandatory/Statutory Travel			0.0			0.0			0.0			0.0
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel			0.0			0.0			0.0			0.0
21.0	Site Visits - Mission Personnel			0.0			0.0			0.0			0.0
21.0	Conferences/Seminars/Meetings/Retreats			0.0			0.0			0.0			0.0
21.0	Assessment Travel			0.0			0.0			0.0			0.0
21.0	Impact Evaluation Travel			0.0			0.0			0.0			0.0
21.0	Disaster Travel (to respond to specific disasters)			0.0			0.0			0.0			0.0
21.0	Recruitment Travel			0.0			0.0			0.0			0.0
21.0	Other Operational Travel			0.0			0.0			0.0			0.0
	Subtotal OC 21.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight			0.0			0.0			0.0			0.0
22.0	Home Leave Freight			0.0			0.0			0.0			0.0
22.0	Retirement Freight			0.0			0.0			0.0			0.0
22.0	Transportation/Freight for Office Furniture/Equip.			0.0			0.0			0.0			0.0
22.0	Transportation/Freight for Res. Furniture/Equip.			0.0			0.0			0.0			0.0
	Subtotal OC 22.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space			0.0			0.0			0.0			0.0
23.2	Rental Payments to Others - Warehouse Space			0.0			0.0			0.0			0.0
23.2	Rental Payments to Others - Residences			0.0			0.0			0.0			0.0

Cost of Controller Operations

Org. Title: Moldova												
Org. No: 117.0												
OC	FY 2001 Estimate			FY 2002 Target			FY 2003 Target			FY 2003 Request		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
Subtotal OC 23.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23.3 Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3 Office Utilities			0.0			0.0			0.0			0.0
23.3 Residential Utilities			0.0			0.0			0.0			0.0
23.3 Telephone Costs			0.0			0.0			0.0			0.0
23.3 IT Software Leases			0.0			0.0			0.0			0.0
23.3 IT Hardware Lease			0.0			0.0			0.0			0.0
23.3 Commercial Time Sharing			0.0			0.0			0.0			0.0
23.3 Postal Fees (Other than APO Mail)			0.0			0.0			0.0			0.0
23.3 Other Mail Service Costs			0.0			0.0			0.0			0.0
23.3 Courier Services			0.0			0.0			0.0			0.0
Subtotal OC 23.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24.0 Printing and Reproduction			0.0			0.0			0.0			0.0
Subtotal OC 24.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.1 Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1 Studies, Analyses, & Evaluations			0.0			0.0			0.0			0.0
25.1 Management & Professional Support Services			0.0			0.0			0.0			0.0
25.1 Engineering & Technical Services			0.0			0.0			0.0			0.0
Subtotal OC 25.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.2 Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2 Office Security Guards			0.0			0.0			0.0			0.0
25.2 Residential Security Guard Services			0.0			0.0			0.0			0.0
25.2 Official Residential Expenses			0.0			0.0			0.0			0.0
25.2 Representation Allowances			0.0			0.0			0.0			0.0
25.2 Non-Federal Audits			0.0			0.0			0.0			0.0
25.2 Grievances/Investigations			0.0			0.0			0.0			0.0
25.2 Insurance and Vehicle Registration Fees			0.0			0.0			0.0			0.0
25.2 Vehicle Rental			0.0			0.0			0.0			0.0
25.2 Manpower Contracts			0.0			0.0			0.0			0.0
25.2 Records Declassification & Other Records Services			0.0			0.0			0.0			0.0
25.2 Recruiting activities			0.0			0.0			0.0			0.0
25.2 Penalty Interest Payments			0.0			0.0			0.0			0.0
25.2 Other Miscellaneous Services			0.0			0.0			0.0			0.0
25.2 Staff training contracts			0.0			0.0			0.0			0.0
25.2 IT related contracts			0.0			0.0			0.0			0.0
Subtotal OC 25.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Cost of Controller Operations

Org. Title: Moldova													
Org. No: 117.0		FY 2001 Estimate			FY 2002 Target			FY 2003 Target			FY 2003 Request		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS			0.0			0.0			0.0			0.0
25.3	All Other Services from Other Gov't. accounts			0.0			0.0			0.0			0.0
	Subtotal OC 25.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance			0.0			0.0			0.0			0.0
25.4	Residential Building Maintenance			0.0			0.0			0.0			0.0
	Subtotal OC 25.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.6	Medical Care												
	Subtotal OC 25.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	IT and telephone operation and maintenance costs			0.0			0.0			0.0			0.0
25.7	Storage Services			0.0			0.0			0.0			0.0
25.7	Office Furniture/Equip. Repair and Maintenance			0.0			0.0			0.0			0.0
25.7	Vehicle Repair and Maintenance			0.0			0.0			0.0			0.0
25.7	Residential Furniture/Equip. Repair and Maintenance			0.0			0.0			0.0			0.0
	Subtotal OC 25.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.8	Subsistance & spt. of persons (by contract or Gov't.)			0.0			0.0			0.0			0.0
	Subtotal OC 25.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26.0	Supplies and materials			0.0			0.0			0.0			0.0
	Subtotal OC 26.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.			0.0			0.0			0.0			0.0
31.0	Purchase of Office Furniture/Equip.			0.0			0.0			0.0			0.0
31.0	Purchase of Vehicles			0.0			0.0			0.0			0.0
31.0	Armoring of Vehicles			0.0			0.0			0.0			0.0
31.0	Purchase of Printing/Graphics Equipment			0.0			0.0			0.0			0.0
31.0	IT Hardware purchases			0.0			0.0			0.0			0.0
31.0	IT Software purchases			0.0			0.0			0.0			0.0
	Subtotal OC 31.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
32.0	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		

Cost of Controller Operations

Org. Title: Moldova												
Org. No: 117.0												
OC	FY 2001 Estimate			FY 2002 Target			FY 2003 Target			FY 2003 Request		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
32.0 Purchase of Land & Buildings (& bldg. construction)			0.0			0.0			0.0			0.0
32.0 Purchase of fixed equipment for buildings			0.0			0.0			0.0			0.0
32.0 Purchase of fixed security equipment for buildings			0.0			0.0			0.0			0.0
32.0 Building Renovations/Alterations - Office			0.0			0.0			0.0			0.0
32.0 Building Renovations/Alterations - Residential			0.0			0.0			0.0			0.0
Subtotal OC 32.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
42.0 Claims and indemnities			0.0			0.0			0.0			0.0
Subtotal OC 42.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL BUDGET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Additional Mandatory Information

Dollars Used for Local Currency Purchases

Exchange Rate Used in Computations

_____ . _____ . _____ .
 _____ _____ _____ .

* If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.

On that form, OE funded deposits must equal: 0.0 0.0 0.0

Accessing Global Bureau Services Through Field Support and Buy-Ins Moldova

Objective Name	Field Support and Buy-Ins: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)			
				FY 2002		FY 2003	
				Obligated by:		Obligated by:	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau
SO 1	Financial Management Training & Advisory Project, TBD	High	Three years	900,000		900,000	
SO 2	Telecom Regulation, PCE-I-00-97-00037-00	Medium	Three years	900,000			
SO 2	Moldova Power Privatization, PCE-I-0397-00016-03	Medium-High	Five years		500,000		400,000
SO 4	Energy Efficiency (institutions), LAG-I-00-98-00004-00	High	Four years	1,000,000		1,250,000	
GRAND TOTAL.....				2,800,000	500,000	2,150,000	400,000

* For Priorities use high, medium-high, medium, medium-low, low

Information Annex Topic: Environmental Impact

The USAID Regional Mission for Ukraine, Belarus and Moldova made significant progress in 2000 in meeting requirements under 22 CFR 216 (Reg. 216). The E&E Bureau Environmental Advisor provided a series of workshops in Kyiv, Minsk and Chisinau that were attended by key Mission staff, including Program Development Officers, Contract Officers, Office Directors, and SO Team Leaders. As a result the level of awareness among Mission staff about USAID requirements under Reg. 216 is greatly increased.

The Mission is successfully making the transition from project-based environmental review managed by Washington, to an activity-based environmental review, managed by SO Teams. The Mission's Regional Contract Officer and Regional Legal Advisor have developed check lists for use in approving and funding new activities that make it clear to all staff that each activity must have an environmental review before it will be approved. The Mission Environment Officer also has drafted a Mission Order on Reg. 216 that will be adopted in 2001.

Most of the Mission's activities continue to fall among those classes of action that are categorically excluded from an Initial Environmental Examination (IEE) or Environmental Assessment (EA). The major exception to Categorical Exclusion (CE) are the agricultural programs in Ukraine and Moldova. With assistance from the Bureau Environment Officer and E&E/EEST/ENR, the Mission was able to reduce the backlog of sub-activities in need of environmental review.

In calendar year 2000, the Mission reviewed 13 activities: 4 for CE (1 for Moldova); 8 for IEE (4 for Moldova); and 1 for EA. Of these, the BEO approved 3 CEs and 4 IEEs.

In calendar year 2001, the Mission already has reviewed 19 activities (15 CEs, 2 IEEs.), 7 of which were for Moldova. Nine of these have been approved by the BEO. An additional 77 new activities (22 of which will be for Moldova) or substantive amendments to existing activities are expected to require environmental review before the end of the year.

The Mission's team for managing Reg. 216 matters is led by the Mission Environment Officer with support from its half-time Environment Program Assistant and Administrative Assistant in the Office of Democratic and Social Transition.

**Resource Request
Moldova
Budget Breakdown by Strategic Objective - FYs 2001-2003**

STRATEGIC OBJECTIVE	Contractor/ Grantee	FY 2001 plan		FY 02 Request	FY 03 Request
		FY 00 C/O Budget	FY 01 Budget		
STRATEGIC ASSISTANCE AREA 1: ECONOMIC RESTRUCTURING					
SO 1 Fiscal and financial reforms support market-led growth		2,068,976	5,800,000	5,900,000	3,700,000
1.1 Market-supportive Legal Environment Expanded		400,000	900,000	800,000	700,000
Commercial Law Development	IRIS	300,000	900,000	800,000	700,000
Customs Info		100,000			
1.2 Capacity for Sound Fiscal Management Built		551,000	3,000,000	3,300,000	1,200,000
Fiscal Reform	KPMG Barents	551,000	3,000,000	3,300,000	1,200,000
1.3 Financial Sector Reform Consolidated		1,117,976	1,900,000	1,800,000	1,800,000
Bank Supervision/Accounting Reform	TBD	517,976	1,000,000	900,000	900,000
Financial Management Training & Advisory Activity	TBD	600,000	900,000	900,000	900,000
Program Design and Management		314,365	300,000	300,000	300,000
Sub-total, SO 1		2,383,341	6,100,000	6,200,000	4,000,000
SO 1, percent of total			20.7%	19.9%	12.9%
SO 2 Private Enterprise Growth Creates Jobs and Generates Income		5,583,617	15,775,000	16,600,000	17,100,000
2.1 Agricultural Production and Distribution Systems Improved		3,565,513	11,000,000	11,500,000	12,000,000
Private Farmer Assistance Program (PFAP)	EWMI	1,765,513	4,500,000	5,000,000	5,000,000
Private Farmer Commercialization Program (PFCP)	Citizens Network for For Af -CNFA	1,800,000	4,500,000	4,000,000	4,000,000
Land Market Development	TBD		-	500,000	1,000,000
Western NIS Enterprise Fund	Western NIS Enterprise Fund		2,000,000	2,000,000	2,000,000
2.2 Role of Small-medium Enterprises in Economy Expanded		500,000	700,000	800,000	1,000,000
BizPro	Development Alternatives Inc. (DAI)	500,000	700,000	800,000	1,000,000
2.3 Targeted Strategic Industries Restructured		1,518,104	4,075,000	4,300,000	4,100,000
Telecom Regulation	KPMG Barents	88,264	900,000	900,000	-
Power Sector Regulatory Development	Pierce Atwood Attorneys	375,000	800,000	800,000	800,000
Power Sector Electricity Market Development	CMS Energy Corporation	500,000	1,100,000	1,100,000	1,100,000
Moldova Power Privatization	Deloitte Touche (SEGIR)	404,840	550,000	500,000	400,000
Utility Regulatory Cooperation	NARUC	150,000	225,000	100,000	100,000
Municipal Network for Energy Efficiency (MUNEE)	Alliance to Save Energy (ASE)		-	400,000	500,000
District Heating Reform	TBD		500,000	500,000	1,200,000
Program Design and Management		300,000	300,000	300,000	300,000
Sub-total, SO 2		5,883,617	16,075,000	16,900,000	17,400,000
STRATEGIC AREA 1 TOTAL		8,266,958	22,175,000	23,100,000	21,400,000
SO 2, percent of total			54.7%	54.3%	55.9%

**Resource Request
Moldova
Budget Breakdown by Strategic Objective - FYs 2001-2003**

STRATEGIC OBJECTIVE	Contractor/ Grantee	FY 2001 plan		FY 02 Request	FY 03 Request
		FY 00 C/O Budget	FY 01 Budget		
STRATEGIC ASSISTANCE AREA 2:	DEMOCRATIC TRANSITION				
SO 3 Democratic Institutions More Effective, Responsive and Accountable		200,000	2,800,000	3,200,000	4,100,000
3.1 Local Government Autonomy Strengthened		-	1,200,000	1,700,000	2,000,000
Local Government	Urban Institute		1,200,000	1,700,000	2,000,000
3.2 Capacity of Civil Society Organizations to Represent and Serve Citizens Increased		200,000	1,600,000	1,500,000	2,100,000
Rule of Law	American Bar Assn (ABA)	200,000	300,000	500,000	500,000
Eurasia Foundation	Eurasia		1,300,000	1,000,000	1,000,000
PVO/NGO Development	TBD				600,000
Program Design and Management		60,843	300,000	300,000	300,000
Sub-total, SO 3		260,843	3,100,000	3,500,000	4,400,000
STRATEGIC AREA 2 TOTAL		260,843	3,100,000	3,500,000	4,400,000
SO 3, percent of total			10.5%	11.3%	14.1%
STRATEGIC ASSISTANCE AREA 3:	SOCIAL TRANSITION				
SO 4 Social Safety Net Reaches Vulnerable Groups		3,198,082	3,825,000	4,200,000	5,000,000
4.1 Social Protection Systems Rationalized		3,000,000	2,025,000	2,000,000	2,500,000
Low Income Energy & Social Assistance Program (LIESAP)	Counterpart Intl.	3,000,000	2,025,000	2,000,000	-
Social Sector Reform	TBD				2,500,000
4.2 Targeted Assistance Alleviates Immediate Suffering		198,082	1,800,000	2,200,000	2,500,000
Humanitarian Assistance-CHAP	Counterpart Foundation		500,000	750,000	750,000
Energy Efficiency	TBD	198,082	1,000,000	1,000,000	1,250,000
Health Partnerships/Family Planning	AIHA		300,000	450,000	500,000
Program Design and Management		14,430	300,000	300,000	300,000
Sub-total, SO 4		3,212,512	4,125,000	4,500,000	5,300,000
STRATEGIC AREA 3 TOTAL		3,212,512	4,125,000	4,500,000	5,300,000
SO 4, percent of total			14.0%	14.5%	17.0%
USAID TOTAL		11,740,313	29,400,000	31,100,000	31,100,000

Information Annex Topic: Global Climate Change

Increased Participation in the UNFCCC

USAID does not support any activities to promote policy advances nor to increase capacity to enable Moldova to meet its requirements under the UNFCCC. Moldova does not receive technical assistance under the USAID/Kyiv Mission's Climate Change Initiative for Ukraine. In 2000, the Mission's request for G/ENV incentive funds to transfer its Climate Change Initiative/Ukraine training modules to Moldova was not approved. No activities are planned for 2001.

Moldova signed the UNFCCC on June 12, 1992, and ratified the convention on June 9, 1995. Moldova is not a signatory to the Kyoto Protocol. Moldova has established a National Committee for the Implementation of the UNFCCC. The implementation committee did not request USAID assistance in this regard.

USAID does not support any activities to reduce GHG emissions from land use and natural resource management.

No activities are planned for 2001.

Reduced GHG Emissions from the Energy Sector, Industry, and Urban Areas

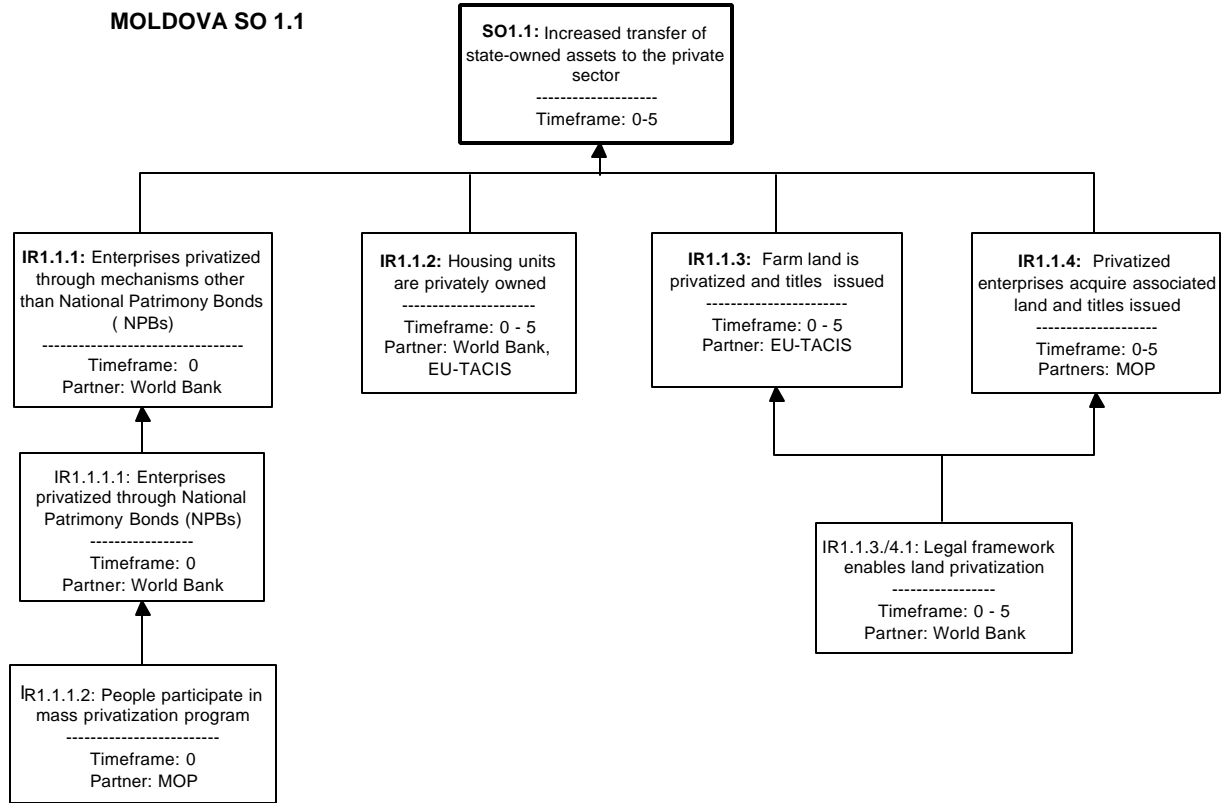
The main sectors responsible for GHG emissions in Moldova are: energy; industry (basically building construction and food processing); transport; agriculture; and municipal.

USAID did not support any activities in 2000 that resulted in reductions in GHG emissions or developed policies or capacity to mitigate GHG emissions.

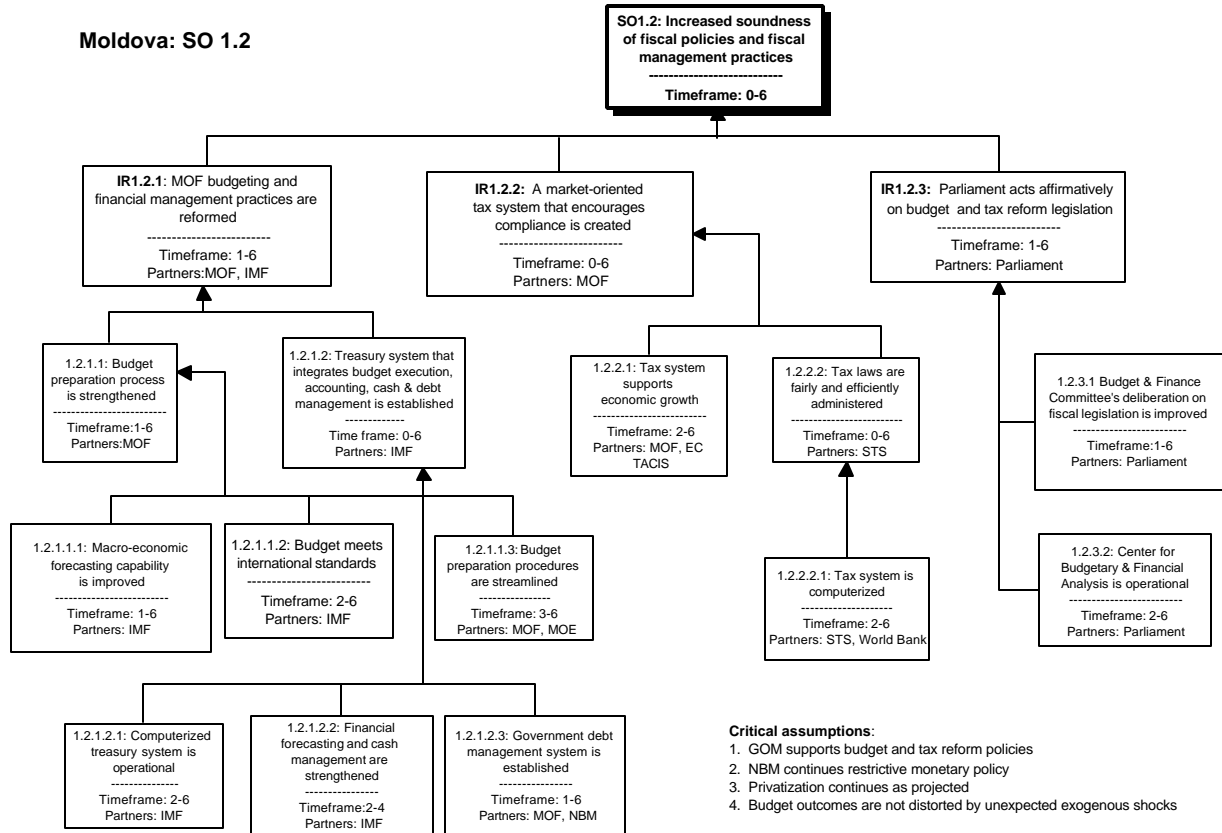
No activities are planned for 2001.

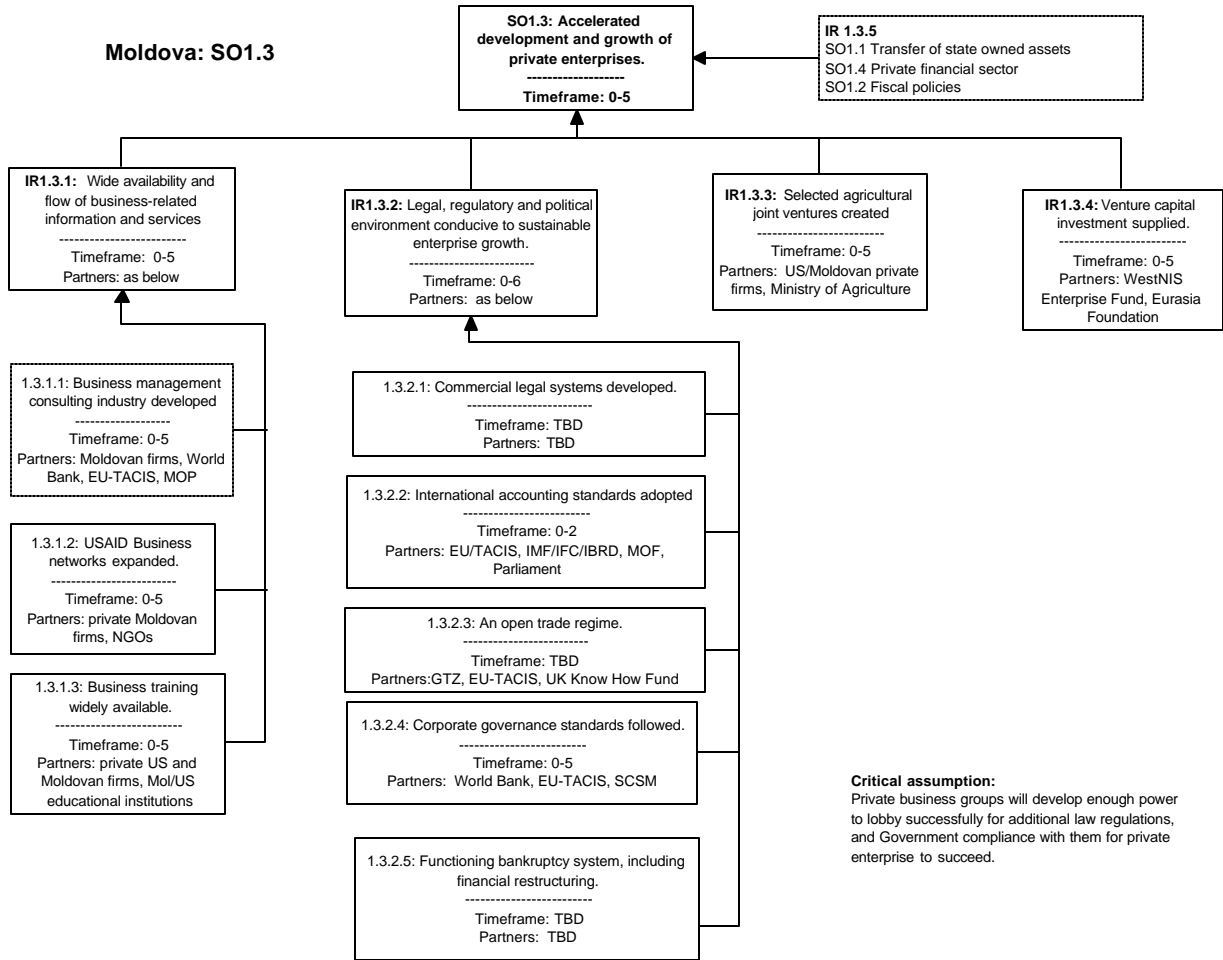
Information Annex Topic: Updated Results Framework

MOLDOVA SO 1.1

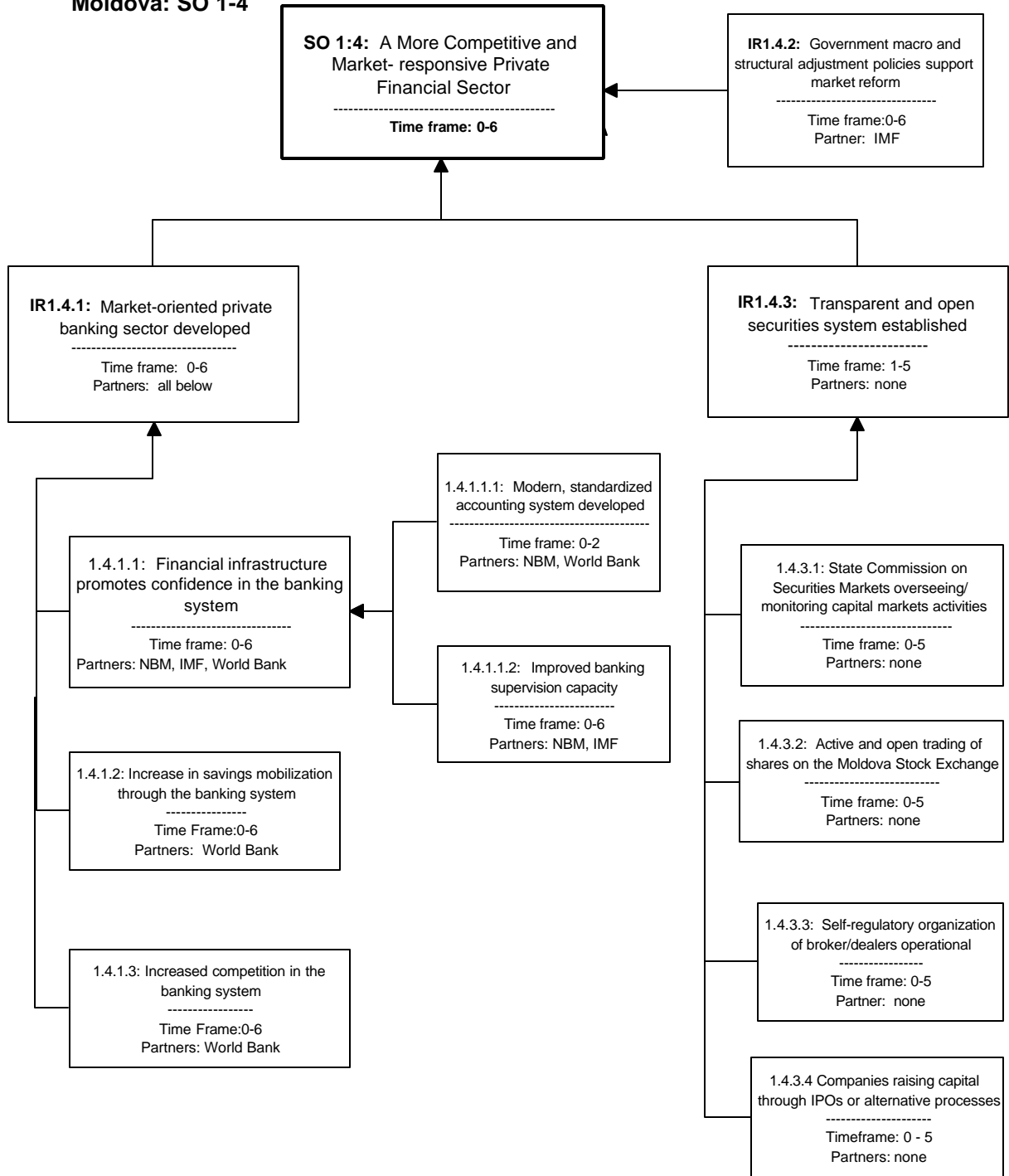


Moldova: SO 1.2

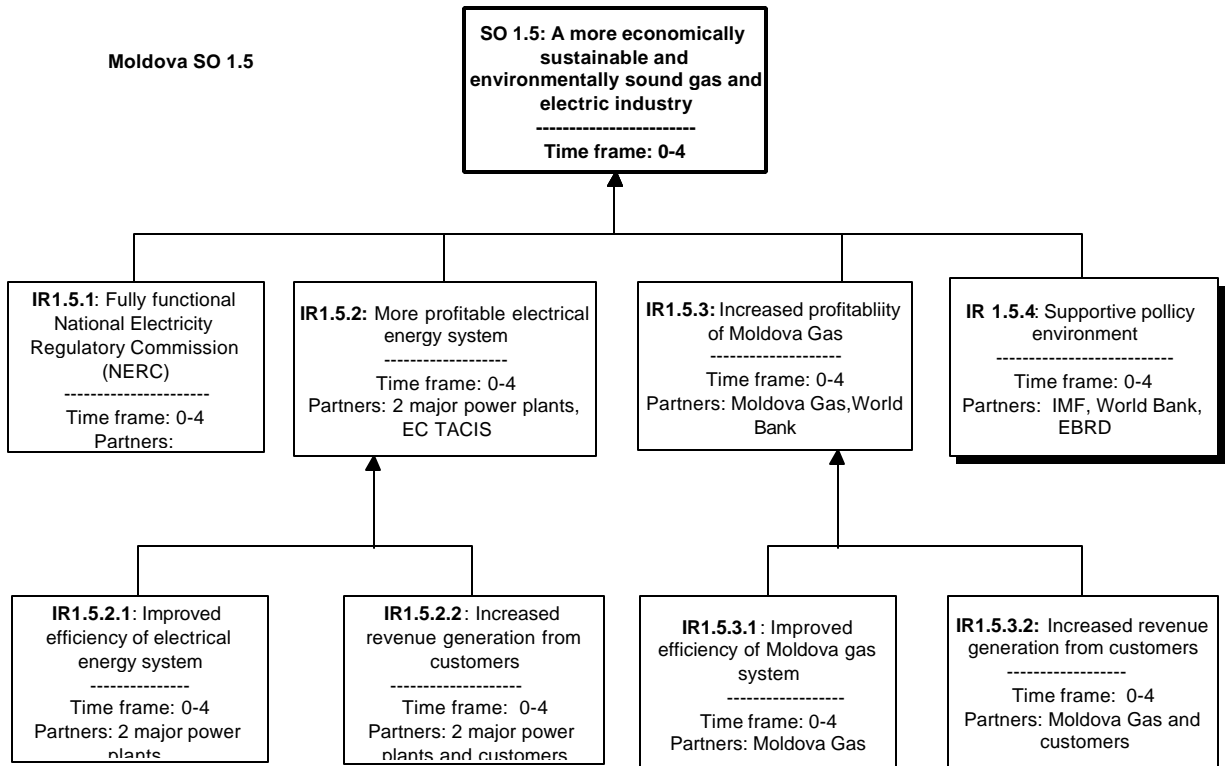




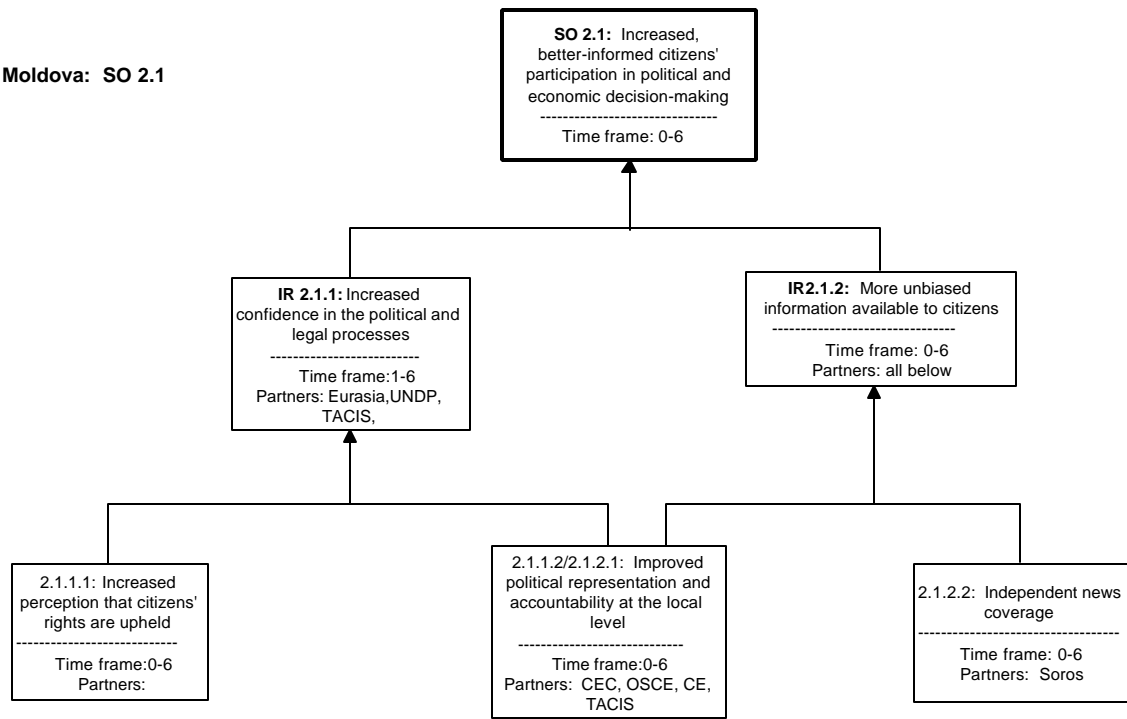
Moldova: SO 1-4



Moldova SO 1.5



Moldova: SO 2.1



Critical Assumption:
The Government will support reforms necessary for the development of citizen participation

Information Annex Topic: Institutional and organizational development

What the information annex will be used for: prepare the cross-cutting theme chapter of the FY 2000 Performance Overview. The 2000 revision of the Agency Strategic Plan includes five cross-cutting themes in addition to the six Agency goals and the management goal. It also includes a commitment to report on one of the themes in depth in the Performance Overview each year. Institutional and organizational development has been chosen as the theme to be reported on in the 2000 Performance Overview.

requested:

- * support for institutional and organizational development is systematically programmed in results frameworks for the majority of Agency OUs;
- * support for institutional and organizational development systematically cross-cuts Agency goal areas in OU programs;
- * institutional and organizational development support is provided to public sector, private for-profit and private non-profit organizations consistent with program objectives;
- * a variety of types of capacity-building (e.g., financial accountability and sustainability, management and

Guidelines for Identifying Institutional Capacity Development. An institutional development IR should contain two elements: (1) the name of the overarching institution concerned and (2) the change taking place. IRs Institutions are defined as the "rules of the game" and the measures for enforcing those rules. In other words, for our purposes, institutions refer to the broad political and economic context within which development processes take place. These include policies, laws, regulations, and judicial practices. They also refer to less tangible practices like corruption, presence or lack of transparency and accountability. The rules and norms we are concerned with are political and economic, not social. Not every IR about policy is to be called institutional development. If the IR is about adopting/implementing a specific policy, it is not institutional development-- it falls under the goal area for the sector it addresses. Include only IRs about changing the

Guideline for Identifying Organizational Capacity Development IRs. The IR should have these elements: (1) It must name or allude to a specific organization or type of organization (an organization is a group of individuals bound by some common purpose to achieve objectives) and (2) it has to how or what action is

MOLDOVA03INST

Verification	Objective ID	IR No.	IR name	Indicators	Public sector	Private for profit	Private non-profit
X	117-011	IR 11.1.2	People participate in mass privatization program		Y	Y	N
Y	117-011	IR 11.4.1	Legal framework enables land privatization	Land prices reduced	Y	Y	N
Y	117-012	IR 12.1	MOF budgeting and financial management practices are reformed	Comprehensive budget process law implemented following adoption	Y	N	N
Y	117-012	IR 12.1.1	Budget preparation process is strengthened	State budget revenues equal or exceed forecast levels	Y	N	N
Y	117-012	IR 12.1.2	Treasury system that integrates budget execution, accounting, cash & debt management is established	Bank accounts of State organizations related to State budget expenditures or collection of State budget revenues are closed or otherwise taken over by the Treasury	Y	N	N
Y	117-012	IR 12.3.1	Budget & Finance Committee's deliberation on fiscal legislation is improved	Analytic reports prepared on major budget programs with policy recommendations	Y	N	N
Y	117-012	IR 12.3.2	Center for Budgetary & Financial Analysis is operational	Independent budget analysis is conducted to support Budget and Finance Committee and Parliament's deliberations	Y	N	N
N	117-013	IR 13.2	Legal, regulatory and political environment conducive to sustainable enterprises growth	Direct foreign investment in Moldova	Y	N	N
Y	117-013	IR 13.2.2	International accounting standards adopted	1. Dues-paying members of the Moldovan association performing as a self-regulating organization (SRO) 2. Certification program offered by association develops professional qualifications of accountants and auditors 3. Companies listed on the stock market with financial statement conforming to IAS	N	Y	Y
Y	117-013	IR 13.2.3	An open trade regime	Compliance with GATT/WTO standards	Y	N	N
Y	117-013	IR 13.2.4	Corporate governance standards followed	Corporations file annual reports with State Commission on Securities Markets (SCSM)	N	Y	N
N	117-014	IR 14.2	Government macro and structural adjustment policies support market reform	Adherence of the GOM to IMF quantitative performance criteria	N	N	N
Y	117-014	IR 14.3	Transparent and open securities system established	Total corporate securities market capitalization	N	N	Y

[illegible]